BOX 3 THE STRANGE CASE OF MAR LODGE

The 72561 acre Mar Lodge estate is located in the Cairngorm mountains in north east Scotland. The Cairngorms are internationally recognised for their outstanding nature conservation and wild landscape values. In 1987 the estate was bought by American billionaire John Kluge and in 1991, he was ready to put the estate on the market. The prospective sale triggered one of the most intensive efforts ever to bring a privately owned estate into conservation ownership.

Due to its outstanding importance for conservation, a consortium of the John Muir Trust, the Royal Society for the Protection of Birds and the World Wide Fund for Nature launched a bid to purchase the estate in June 1991. The whole question of the future management of the Cairngorms had been the subject of intense controversy for many years and during 1991 and 1992 was the subject of a government appointed working party headed by Magnus Magnusson to recommend a strategy for future management. Conservation was at the heart of their work. The drama played out over the next 4 years is yet to be fully explained but its final resolution says more about the politics of landownership in Scotland than it does about the conservation needs of the Cairngorms.

Support for the Coonsortium was widespread and prominent. The Earl of Mansfield representing the Crown Estate Commissioners and Prince Charles had both been supportive. By August 1991, the Secretary of State for Scotland, Ian Lang, accompanied by the Earl of Mansfield had himself visited Mar Lodge amidst growing criticism of government for not acting to assist the proposed purchase. A crucial turning point in the fortunes of the bid came in late September 1991.

On Friday and Saturday, 27th and 28th September 1991, the National Heritage Memorial Fund visited Mar Lodge to assess an application for £5 million towards purchase costs to match £5 million already pledged by the conservation consortium. Lord Charteris, former private secretary to the Queen and who remains close to her, was the Chairman. He had tea at Balmoral after the visit. By the end of October, however, the consortium was reported to fear that their bid had been damaged by behind-the-scenes lobbying by major Scottish landowners. Landowners were reported to have been stung by suggestions that an estate such as Mar Lodge was not safe in private ownership. The fact that figures such as the Earl of Mansfield, Prince Charles and Ian Lang had all been supportive of a purchase for conservation could only serve to heighten their fears that the landowning establishment were losing control.

By November, a neighbouring landowner, the Duke of Atholl, went public. Purchase of Mar Lodge by conservation bodies would be “an absolute disaster”, he claimed. “I very much hope it will be bought by a private person who will continue to run it as a deer forest”, he continued. Such views had been passed onto Ian Lang.
On 1 April 1992, Scottish Natural Heritage, the government’s newly created conservation advisor, came into existence. One of its main aims was to rebuild good relations with landowners after a series of controversies surrounding the way in which the previous GB agency, the Nature Conservancy Council, had gone about its business. Landowners were generally feeling bruised by an agency which had traditionally taken a fairly hard line over a range of nature conservation controversies. One of the main priorities of the new Chairman, Magnus Magnusson, who had just submitted the final report of the Cairngorms Working Party to the Scottish Office, was to build a new relationship based on partnership and dialogue. The heated debate which had taken place over the previous year had hardly helped to create such a climate.

By this time, the main stumbling block to further progress by the consortium was agreement with the emerging new agency for long term financial support tied to a management plan which by this time was a common way of securing conservation management by private landowners. By now, however, SNH had become distinctly cool in its relationship with the consortium. Constant negotiations over the management package became entangled as more and more detailed demands were made by the agency to clarify details of the management plan. By May 1992, an impasse was reached and the consortium announced its withdrawal from any further efforts to purchase Mar Lodge Estate.

From a position where senior figures from the Crown Estate, Scottish Office and English Environment Department had backed consortium’s bid, final agreement on a management plan proved impossible to reach. What had gone wrong was never revealed but it seems clear that at a critical stage in late 1991, landowning interests had successfully persuaded Magnus Magnusson directly or indirectly that the newly set up SNH would be in no position to build any credibility with landowners if it persisted in supporing the conservation consortium. Sources close to the negotiations have since confirmed that pressure came from the highest levels of British society. The fact that the Duke of Edinburgh was the International President of WWF and has strong views on the management of highland sporting estates would suggest that he at the very least had been aware of the situation. Lord Charteris of whom it has been claimed it would be hard to think of anyone closer to the heart of the British Establishment was intimately aware of the negotiations and had visited Balmoral the day after his visit to Mar Lodge. Five weeks later the Duke of Atholl was speaking to the press to voice his concerns in no uncertain terms. Soon afterwards the consortium found itself embroiled in a painstaking and frustrating series of negotiations with SNH before giving up in despair the following spring.

In round one smacked of an establishment backlash, round two was to prove equally intriguing. By the summer of 1994 it had been announced that Mar Lodge had been taken off the market. John Kluge planned to keep the estate “for the foreseeable future”. But by August 1994 it was public knowledge that the National Trust for Scotland (President, the Duke of Atholl) was engaged in intensive negotiations. On 26 April 1995 the NTS announced they had secured £10.2 million from National Heritage
Memorial Fund supported by £4 million from a private and anonymous source, the Easter Charitable Trust. Behind the scenes NTS had been hard at work. But it was top secret work involving, to the virtual exclusion of all other staff, the Chairman-designate, Hamish Leslie Melville.

Negotiations over the management plan with SNH were conducted by the Chairman and a few advisors. Members of the NTS council and senior staff were kept in the dark. Full details of the final deal remain shrouded in mystery. The original plan was for John Kluge to lease the Estate to NTS but this was unacceptable. Instead, the NTS purchased it and paid the money into a bank account from which Mr Kluge is drawing annual payments via his private trust, the Morven Trust, named after his house in Virginia. This appears to be a device enabling him to offset the sale proceeds against tax.

At the time of sale the estate was owned by John Kluge’s company Mar Lodge Inc. It was sold to the NTS by feu disposition, the lodge itself being sold separately for $1. Mar Lodge Inc. therefore is the feudal superior of the NTS. John Kluge’s consent is required for any developments within 500 metre radius of Claybokie, a property to the west of Mar Lodge which he has retained. His consent is also required for any security the NTS may wish to take out against the subjects. Any contravention of the feudal burdens allows Mr Kluge to repossess the estate. Even the primary management objective of the NTS is included as a burden, enabling Mr Kluge to challenge activities which, in his interpretation, do not accord with “management of the feu in a sustainable manner for the benefit of the nation, ensuring the continuing conservation and restoration of its internationally important geology, flora, fauna, wild land quality and archaeological value.”

Not only has the NTS had to accept being a vassal of John Kluge but it has had to observe the confidential terms of the Easter Trust which are believed to require the continued management of Mar Lodge as a highland sporting estate. Such an objective indeed is embodied in the management plan agreed with SNH.

The Mar Lodge story is yet to be fully told. Certainly the conservation consortium’s efforts were firmly sabotaged by the pressure from landowning interests. The NTS on the other hand had impeccable credentials in the landowning world and was seen as much less of a threat to their interests.

The Government had every opportunity to secure the purchase in round one and with the launch of SNH and John Major attending the 1992 Rio Earth Summit, bringing Mar Lodge estate into competent conservation ownership would have been a tremendous boost to the government’s environmental reputation.

That the consortium was unsuccessful says as much about the politics of landownership however as it does about conservation policy. In the end it is hard to escape the conclusion that the former won over the latter.