

THE BIG LIE!

For countless years, the British Unionist Parties have been telling the people of Scotland, that they are subsidised by the English Taxpayer and that Independence is the certain road to ruin. Just recently some senior members of the Labour party have repeated this statement. Mr Trevor Philips in his Election Manifesto for the Lord Mayorship of London called for this subsidy to stop and the money be given to London instead. Even from February 1990 in the days of the handbag wielding Margaret Thatcher quote 'We English, who are a marvellous people, are really very generous to Scotland.' She was not alone in this, Scotland is constantly being sniped at by ignorant Tories who accuse Scots of having an inordinate level of funding. London's Evening Standard Newspaper has labelled the Scots 'subsidy junkies' on innumerable occasions.

For nearly 300 years Scots have endured a barrage of such rhetoric which has sapped our innate Vitality and optimism. However I am asking the question 'Is it True?' Do the English Taxpayers really subsidise the Scots?

Those of us old enough to remember Josef Goebbels, (Hitler's infamous propaganda chief), know the quote he made: 'If you tell a big enough Lie, and keep on repeating it, in the end people will come to believe it.' The big lie of Nazism is still believed today by deluded people, still taken in by his lies. It would appear that no serious research into this Subsidy Claim has been done in the past, due in no minor part to the excessive cloud of Secrecy coming from the Civil Service Establishment. The Information was there, but had to be ferreted out of the Stationery Office and Office of National Statistics. Before much of the Government paperwork was put on the Internet, this would have taken a researcher at least a year to extract the figures.

Thanks to the Internet, and the digging done by Colin, Eric, Frank, Neil, Niniane, Peter and Ozzie, whose labours helped to provide many pieces of the Jigsaw, this task has become easier and I personally spent over 400 hours in research to finally put this huge jigsaw puzzle together. Accurate information up to and including the 5th April 1999 (The cut off date selected for this research) was used and only the Governments own figures are used to preserve accuracy. North Sea Oil revenues were difficult to track down as the UK Government regard these as special resources of the UK (Extra-Regio Territories) and not Scottish, even though the Oilfields are in Scottish waters, are policed by Scottish Policemen and supported by an Infrastructure, at Scottish Ratepayers and Council Tax payers expense. Without financial support from Westminster. Following this convention, North Sea Revenues are EXCLUDED from the allocation of revenues to Scotland. When the Scottish Parliament was established, the UK Government annexed 3000 square miles of Scottish Waters rich in Oil, Gas and Fish and transferred them to English jurisdiction. In these cases, I have charged the Tax revenues to the Scottish Tax account as I have also charged the Corporation taxes paid by the Oil Companies based in London for their Scottish operations.

I am not satisfied that I have the true picture of North Sea Oil and Gas revenues as I feel some of these have been allocated to the Gross operating surplus and Crown Estates Income. In this event, they may well be understated for the Scottish Tax revenues, but I have found it impossible at present to penetrate the wall of secrecy that surrounds this heading. (Perhaps a SNP MP might ask a Question in Westminster?) The U.K. Government use the figure of 8.6% to express the percentage of Scottish Populace to the whole U.K. Population and I have used this percentage in Annex A where

it was impossible to ascertain the correct percentage per Annex A. (Tables of Taxation Revenue and Percentages). It should be noted that the least ambiguous sites were those of the Customs and Excise, followed by the Inland Revenue. The worst site being the Treasury.

GENERAL NOTES and OBSERVATIONS

It was interesting to note the disparity between Income tax receipts in Scotland and those of the S.E. of England. Scotland's Share of the Income tax and National Insurance Contributions is 7.4% which reflects the lower Incomes of Scots in general. Inland revenue figures strongly suggest that there are a higher proportion of Scots, whose earnings fall below the minimum Tax level and therefore pay no tax at all, than in the rest of the U.K. A pointer to the relative levels of poverty in Scotland. Another anomaly is the number of people of pension age who continue to work, this would naturally be expected of Hill Farmers and Crofters whose incomes are desperately low, but it extends right across the board. In the U.K. the average number of Pensioners working is 6.6% of all pensioners. However in Scotland the ratio is 9.4%!.

Also Included in the figures are Council Tax and Business rates, as quite properly these are taxes to be taken into account. Council Tax at 9.3% is much higher than the population percentage of 8.6%. Business rates are even higher at 16.1%. In Fraserburgh one high Street shop has a rates bill of a similar sized shop in Regents Street in London! One would expect Rural areas to have higher charges than Urban areas, but this does not account for the difference, which may occur to the high costs of providing the infrastructure for the Oil Industry on the East and North East coasts, but is more

likely in the Central belt, to be the result of Labour Councils Bad Management, inefficiencies and profligacy.

Before we reach the concluding part, it would be a good idea to acquaint oneself with the various taxes and so would you please turn to [APPENDIX A](#) at the back and I will take you on a quick tour.

We start first of all with our old friends from Customs and Excise and the most easily recognised Tax of all: Value Added Tax. Scotland's share being £4.957 Billion or 8.9% of the Total. One would expect it to be lower than this due to the lower levels of personal spending, or at the very most be 8.6% in line with the Population, but is in fact a distortion due to the fact that VAT is charged on Bottled Whisky and Fuels as soon as they leave the Distilleries or Refineries. And Scotland has a higher production ratio in these commodities.

Hydrocarbon Oils at £2.478 Billions or 19.9% is more properly not a Tax but an Excise duty. Excise Duty is payable when the Fuels leave the Refinery and the high percentage reflects the dominant position of the Grangemouth Refinery in the UK.

Tobacco Duty at £0.672 Billion or 8.1% is a little less than the national average, but reflects the reduced level of imports and manufactures in Scotland.

Alcohol including Whisky. This duty is quite high at £2.515 Billions or 39.3%. This reflects the high output of Whisky distilling in Scotland.

Betting and Gaming, Air Passenger Duty, Insurance premium Tax, Landfill Tax and other Excise Duties are lumped together. It has proved impossible to apportion them by actual revenue raised in Scotland, so the Population percentage of

8.6% has been applied.

Our old nemesis Hector the Inspector holds out the Inland Revenue collection plate and takes £6.712 Billions from our hip pockets or 7.4% of all UK Income Taxes. As mentioned earlier, this is an indicator of the relative Wealth of Scotland compared to the UK as a whole. If we take the Treasury Population figure of 8.6% as being accurate, then this would indicate that wages and Salaries are some 16% lower in Scotland than they are in England.

Non North Sea Corporation Taxes follow on at £2,739 Billion pounds or 9.1% of the UK Total. This is higher due to the relative profitability of Scottish Companies and firms and is especially true of Banking, Finance and Insurance.

North Sea Companies Corporation Taxes are next at £3.301 Billions or 97.1% of the oil and Gas Sectors. The Corporation tax figures are those taken from Companies House Annual returns for Companies with registered interests in the Scottish Oilfields.

Petroleum Revenue Tax at £0.777 Billion also represents 97.1% as being the Scottish Sector. Due to the Secrecy and arcane treasury accounting policies, I was unable to find out what this item in the accounts stands for. It is possible that this is a surcharge made when prices go over a certain fixed limit.

North Sea Revenues at £2.525 Billions is also reckoned to be 97.1% Scottish Sector. Again it has proved virtually impossible to find the source of this heading.

Capital Gains Taxes, Inheritance Taxes and Stamp Duties are all lumped together at around 8.4% actual which is slightly below the average, reflecting lower house prices in Scotland and that Scots have fewer opportunities for amassing wealth.

Now we come to the other Taxes and Government receipts

which will complete this tour, taxes such as Vehicle Excise Duty of £0.445 Billion Pounds reflects the Duty paid on a New Car and Road Fund Duty. This Duty is probably the main reason why cars cost more to buy in Britain than anywhere else.

Oilfield Royalties of £0.388 Billion pounds or 97.1% which reflects the cost of annual royalties on existing Oilfields still being worked in the Scottish Sector.

Business Rates of £2.257 Billion Pounds or 16.1% are a regressive tax on profitable businesses. They are abnormally high in Scotland, because the local Authorities have never implemented the Standard Business Rate Laws brought in by the Last Conservative government. Too many Labour Councils regard the Business rates as a milk cow to be exploited ruthlessly to make good their shortcomings, and this has led to far too many companies shutting up shop and moving south or onto the Continent where Rates or Land taxes are much cheaper. Scotland has the unenviable reputation of having the highest Business rates in the western world.

Social Security Contributions of £4.159 Billion pounds or 7.4% tells the same sorry story of the disparity in earning power of Scots and English.

Council Taxes of £1.190 Billion pounds or 9.3% reflect the higher costs of Council services in Scotland and also the Water charges which are almost double the English norm.

Other Taxes and Royalties and Interest & Dividends of £1.Billion Pounds or 8.6% have been allocated pro rata to the Scottish population average.

Finally Gross operating Surplus and Crown estate rents and Income of £1.582 Billion or 8.6%. The population ratio was applied even though I suspect there is an Element of North Sea

Oil contained in this figure. Treasury Secrecy foiled me and I have had to leave it as is.

This brings us to the totals and at this point the figures have a story to tell. The Total UK Taxation Revenues for the year to the 5th April 1999 were £356,800.000 Million pounds (356.8 Billions), let us assume that figure is 100% of the total Taxation. Scotland with 8.6% of the population contributed £41,346,600 Million Pounds (41.346 Billions) or 11.6% of the total UK Tax revenues. In return, under the Barnett Formula, Scotland received £12.2 Billion Pounds or 3.4%!

Far from England subsidising Scotland, the reverse is true. Scots are subsidising the South East of England, and in particular London which received £89.7 Billion pounds of Government expenditure or 25% and this does not include health, Education or Defence. No wonder the Treasury wishes to keep it quiet! This has been going on for years.

In Conclusion. There is no reason at all why Scotland could not go it alone as an independent nation just as Norway has done. We can give our citizens a higher quality of life whilst investing part of the Oil revenues into an Oil Fund for future generations to come. Our pensioners can have pensions on which they can live in Dignity without poverty. Schools that can invest in new buildings and teachers. A Health Service, free to all which does not ration healthcare by postcode or age. Housing Associations that can build the type of houses people want to live in, not Labours Stalinist monobloc concrete deserts. Crofters and hill farmers can receive aid which stops the depopulation of our rural areas. Fishermen can rely on properly funded Fish conservation measures which will preserve stocks for their sons to fish in the future, protected by a small but efficient Navy, Army and Air Force. Businessmen

can look forward to a vibrant economy with lower rates and small taxes and in turn can increase the wealth of the nation as Adam Smith envisaged. Ladies and Gentlemen of Scotland, the Future lies in your hands. The BIG LIE is revealed, do YOU still believe it?

APPENDIX A

U.K. Treasury Taxation Figures 1999. **Description of Tax.**

Description of Tax.	U.K. Whole £ Millions	Percent t %	Scotland £ Million
Value Added Taxation	£55,700,000	100	£4,9
Hydrocarbon Oils	£22,500,000	100	£4,4
Tobacco	£8,300,000	100	£6
Alcohol Inc Whisky	£6,400,000	100	£2,5
Betting & Gaming	£1,500,000	100	£1
Air Passenger Duty	£900,000	100	£
Insurance Premium Tax	£1,400,000	100	£1
Landfill Tax	£400,000	100	£
Other Excise duties	£2,100,000	100	£1
Total Customs and Excise	£99,200,000	100	£13,164,
Income Taxes Net of Tax Credits	£90,700,000	100	£6,7
Corporation Taxes (Non North Sea)	£30,100,000	100	£2,7
Corporation Taxes North Sea Scot.	£3,400,000	100	£3,3
Petroleum Revenue Tax	£800,000	100	£7
North Sea revenues	£2,600,000	100	£2,5
Capital Gains tax	£2,400,000	100	£1
Inheritance Taxes	£2,000,000	100	£1
Stamp Duties	£6,100,000	100	£5
Total Inland Revenue	£138,100,000	100	£16,933,
Vehicle Excise Duties	£4,900,000	100	£4
Oilfield Royalties	£400,000	100	£3
Business Rates	£15,700,000	100	£2,5
Social Security Contributions	£56,200,000	100	£4,1
Council Taxes	£12,800,000	100	£1,1
Other Taxes and Royalties	£7,500,000	100	£6
Interest and Dividends	£3,600,000	100	£3
Gross Operating Surplus and Crown Estate Rents	£18,400,000	100	£1,5
Total Other Taxation	£119,500,000	100	£11,248,

GRAND TOTALS

£356,800,000

£41,345,

SCOTLAND RECEIVES FROM TREASURY

£12,200,

Treasury Estimate of Scottish Population is that of 8.6% of U.K. Total.

APPENDIX B

List of Sources used in researching the 'Big Lie'

Scottish Parliament./Publications/Government Expenditure and Revenue in Scotland 1998-1999 Section 7 : Revenue.

HM Customs and Excise www.hmce.gov.uk/bus/info/duty-tax.htm

Pre Budget report November 1999 annex B of

[www.official-](http://www.official-documents.co.uk/documents/cm44/4479/annexb2.htm)

[documents.co.uk/documents/cm44/4479/annexb2.htm](http://www.official-documents.co.uk/documents/cm44/4479/annexb2.htm)

CSR White paper Chapter 22.

Crown Estates Financial Highlights 1999-2000

<http://fm353.facility.pipex.com/finance/highlights2000.shtml>

<http://www.inlandrevenue.gov.uk/home.htm>

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Thanks to the SnG webmaster, who put the article into HTML and sent it to us - saved us a job! Thanks again

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