

# SAACT Newsletter

Issue 3

February 2007

## Scottish Exec. is Failing Us

**S**cottish Action Against Council Tax is a non party-political pressure group dedicated to the abolition of the present system of Council Tax.

SAACT, while autonomous, has historical links with, and corresponding aims to, the IsItFair group in England and Wales. i.e. Scrap this tax in favour of a fair system.

We believe that the Council Tax is grossly unfair. We contend that the whole basis of this regressive tax is flawed and therefore no amount of tinkering with the system, aimed at giving it a veneer of fairness for short term political gain, can be justified.

### Why Retain This Hated Tax?

These twin great champions of regressive taxation, New Labour and Conservatives are, to our knowledge, the only groups in the Scottish parliament who want to retain the Conservative inspired Council Tax in anything like its present form – i.e. a tax on our homes that is not related to ability to pay.

The Scottish Conservative strategy would appear to consist of halving the Council Tax for pensioners, irrespective of their income. This cynical attempt to gain votes is, in our opinion, not worthy of further comment since, unless they share power with New Labour after the May elections, they are unlikely to be in a position to implement such a policy.

Labour's favourite defence of their position is to voice scare stories of the rate of local income tax (LIT) that would be needed to pay the equivalent of the present Council Tax (CT). Anyone who thinks for a moment, of course, will realise that change from a regressive tax to one that reflects ability to pay will inevitably lead to higher payments for those with higher incomes and lower payments for those with more modest means. **In case New Labour has completely forgotten the terminology and the principles: they're called "Social Justice" and "Fairness."**

### Scottish Labour's Position on CT.

or

### Just Why Are They Afraid of LIT?

Let's do some speculation, which is necessary since they have failed to put forward any coherent, logical arguments for the retention of this iniquitous tax.

#### Premise 1.

**They are aware that the present system is illogical and unjust, but they find themselves in such an entrenched position that they fear loss of face if they were to U-turn.**

This is possible, but unlikely since U-turning would not be new to them when votes or power are at stake.

#### Premise 2.

**They are under pressure from those of influence on higher incomes, not to introduce any further taxation on income.**

This pressure is inevitable and could account for the scare politics on this and other issues. Has Scottish Labour drastically changed its principles in its conversion to New Labour, or does it simply lack the courage to implement them?

As we have already pointed out, changing to a fair tax would inevitably result in winners and losers, the losers being those with above average incomes and the winners being those who are struggling on fixed and lower incomes. Is this against New Labour principles?

A recent letter in the Herald illustrated that CT can and does range from about 1% of income for really high earners to over 20% of income for many pensioners who do not qualify for CT benefit. That is the kind of policy-backed politics which really ought to scare us. If Scottish Labour think that they can right a fundamentally bad tax by announcing the addition of a few more bands just before the May election, then they should think again. This issue will not go away until a fair system of taxation has been established.

### Premise 3.

**Their London headquarters dictates the present policy. While this can undoubtedly be looked upon as a devolved issue, they have been ordered not to rock the Westminster boat. There is a growing groundswell of opinion in England and Wales against CT, so the establishment of a fair system in Scotland would inevitably effect a very significant growth in the anti-CT movement south of the border.**

It is a sad fact that devolution has failed to deliver on its early promise of significant independent thought: independent, that is, from Westminster party dogma and practices. What an opportunity, so far squandered!

It is inevitable that there would be a proportion of MSPs whose principles revolve around career, rather than ethics. It is disappointing, however, that there appears to be a preponderance of such creatures in the Holyrood Executive, and even more disappointing that they tend to float to the top.

To give but one illustrative example of this, take the First Minister, Jack McConnell. The source of what follows is a "sundayherald" article of 21<sup>st</sup> January 2007.

It appears that at the 1989 Scottish Labour conference in Inverness, Jack McConnell, who at that time was a Stirling Councillor, made a strong plea for the introduction of LIT in direct opposition to Neil Kinnock's plans for a property tax.

Jack McConnell is quoted as saying:

**"If we cannot devise a system of local income tax using the computerised taxation system, then there is something wrong with us"**

It is beyond the scope of this Newsletter to report on the other, non-CT related, instance of spectacular U-turning reported in the article.

We would give most credence to Premise 2 and Premise 3 in our analysis of Scottish Labour's motivation and we recognise that the two are almost certainly related.

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### Scottish Lib. Dem. Position

Since the Scottish Lib Dems have made clear their intention to scrap CT in favour of LIT we imagine and hope that they, as part of the Executive, are experiencing not a little soul searching in their anomalous position on this and some other extremely important issues.

We would hope, therefore, that post May elections, they would not consider another Faustian arrangement with Scottish New Labour.

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### Membership of SAACT

We hope you have found this issue of SAACT Newsletter both interesting and thought provoking. If so, please pass it on to your friends and consider joining our mailing list or even taking a more active part in our campaign. Send your e-mail and/or postal address to the Secretary to receive future issues.

In preparation for the May 2007 Scottish Parliament elections, the political parties are declaring their policies. It is important, therefore, that all those in agreement with our aims should let their MSPs and prospective candidates know their feelings on this matter.

**Let's get rid of this abhorrent tax now and have it replaced by a fair alternative. In our People's Parliament it's time our MSPs changed this system for the benefit of our people.**

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Please contact SAACT to receive future issues of our Newsletter and other information on our campaign.

PS. There are no membership fees in our organisation, but we should point out that our necessary expenditure is met from purely voluntary donations, all of which are greatly appreciated and without which we could not exist.

Our account payee name for contributions by cheque is "SAACT-IsItFair."