

# SAACT Newsletter

Issue 10

[www.saact.org.uk](http://www.saact.org.uk)

March 2009

## Our Toxic Taxation!

**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.

### Where Are We Now?

Unfortunately progress towards a fair local taxation has, temporarily at least, hit the buffers by the SNP's ditching of their plans for the introduction of LIT within the currency of this parliament.

We understand the difficulties placed in the path of this minority government, and by extension the people of Scotland, by its political opponents and other vested interests. Nevertheless we consider that such an important social reform should have been pursued with more determination – even to the point, if necessary, of going to the people of Scotland for a fresh mandate, remembering that LIT was a major SNP manifesto commitment in the 2007 Holyrood elections.

As to the future, it is to be hoped that a few more than 63 anti-Council Tax MSPs are elected in May 2011, to secure a decisive majority in favour of LIT.

**Toxic Debt; Toxic Banks; Toxic Economy; Toxic State Pensions; Toxic Private Pensions; Toxic Lords; Toxic Data Protection; Toxic Construction Industry; Toxic Taxation.**

The list above could appropriately be summarised by one word: **“Greed”**.

This culture of greed has for decades been fostered and nurtured by successive Westminster governments and latterly by their Holyrood supporters.

For years now it has been widely forecast that the greed bubble would burst with disastrous consequences, but so many influential pockets were being lined by this culture that a deaf ear was turned. **The Westminster Government has for many years presided over this poisonous society.**

A classic and prominent example of this was, of course, the property market, where nearly all so-called financial experts and media sources constantly extolled the merits of ever increasing property values, while responsible advice would have recognised that the only people to really gain by this were the various forms of property speculators such as bankers, building companies, dodgy estate agents and mortgage brokers, and private speculators.

### Toxic Debt

Toxic debt has not, however, been confined to mortgages. For years now, people have been inundated with more and more irresponsible loan offers from both legal and illegal loan sharks. Private debt from credit card companies and other sources was clearly encouraged and has reached unprecedented levels. No responsible government would have allowed this state of affairs to develop.

Not only was this allowed to continue, but it was and is exacerbated by massively increased domestic fuel prices and regressive local taxation in which those already struggling to survive, are forced to subsidise the wealthy.

### Toxic Taxation

As was stated in our previous newsletter, it would appear that all political parties in the Scottish Parliament recognise the unfairness of council tax but, unlike the SNP and the Lib. Dems, they continue to refuse to acknowledge the principle of ability to pay as the main criterion of a fair system.

This is a disgraceful and totally unethical stance, especially for the Labour Group who still profess to be the champions of working class people, but in reality simply blindly follow the dictates and policy decisions of their New Labour Westminster masters. We find it very difficult, if not impossible, to believe that there are not those within the Labour Group who would wish to see an end to the hated, oppressive council tax and substitute a system that fully embraces ability to pay. However, it is obvious to all that a home's property value does not even approximately equate to the occupants' ability to pay; yet Ian Gray continues to search for his "Philosopher's Stone" of a fair, property-based alternative to council tax.

We can fully understand the conflict between party loyalty and ethics that such situations constitute, but we strongly suggest that an ethical stance on this and other issues is in the long term interest of the Labour Group. The time is long past when the Labour Party held the moral high ground and this is nowhere more apparent than in the continued decline of their traditional support.

We also believe that it would be in the long term interests of the Scottish Conservatives to recognise the natural justice of the ability to pay principle in local taxation.

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## Local Income Tax

As we stated in our last Newsletter, the only real obstacle in establishing LIT is lack of political will. All other obstacles can be overcome with a bit of determination and ingenuity, both of which are requirements of all worthwhile social reform.

Let's now take a brief look at two of the more recently cited objections to LIT.

1. - Angus Macleod, Scottish Political Editor of The Times quotes Her Majesty's Revenue and Customs as describing LIT as "pie in the sky" and the logistics of collecting the tax as "incredible".

The phrase "pie in the sky" surely refers to something which is extremely desirable but impossible to obtain. Well, we are glad to learn (if Angus Macleod quotes them accurately) that LIT is viewed by HMRC as extremely desirable, but saddened over HMRC's apparent poor self-esteem and lack of confidence in their abilities in the field (income tax collection) in which they are the only British practitioners.

We hope that this attitude is not rife within the civil service, including the Treasury. Or could it

be that this largely explains the thriving and extremely lucrative industry within business organisations of tax evasion by the exploitation of taxation loopholes, and this at the ultimate expense of the ordinary tax payer?

2. - It is also widely stated that "business" is greatly opposed to LIT.

### **Now there is a surprise!**

After all, when has business ever encouraged social reform, however laudable, which might impact to any degree on profit margins? e.g. minimum wage legislation.

But let's face it, "business" exists to generate profit. - albeit the general attitude of British industry is to maximise short term profit and to neglect the more sustainable long-sighted approach adopted by some others. This attitude surely resulted in the catastrophic crash of many companies within Britain's financial industry, the more cautious, level headed and less greedy being the sustainable exceptions.

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For all aspects of the SAACT campaign visit our website: [www.saaact.org.uk](http://www.saaact.org.uk)

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## Membership of SAACT

We hope you have found this issue of the 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.

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### **Footnote:**

SAACT has been active in talking to MSPs and other groups with the object of promoting a fair local taxation system. We would urge all our supporters to make their views widely known and to assure people in general that the issue will continue to be an important aspect of Scottish politics until a fair local taxation is established.