

Castle by more than £39,000.

The value of upmarket homes increases because they will not be subject to high rates bills based on current market values. The cash saving is capitalised into an even higher value for the property.

Dr Roger Sandilands, a senior lecturer in economics at Strathclyde University, has studied the impact of the government's abolition of the rating system. He explained what would happen to the value of his home in West End, a middle-class area of Glasgow.

The four-bedroomed terraced house in Banavie Road is worth £80,000, and the rates bill is £1,350. He and his wife will now pay a poll tax of under £500, giving the 42-year-old economist a saving of nearly £900 a year.

"Bearing in mind the rate of interest on mortgages, at a stroke

my house has risen in value by about £11,000," says Dr Sandilands.

For properties owned by people on low incomes, however, values will be slashed. This is because the increased payments under the poll tax will leave them even poorer. Even pensioners on the breadline will have to pay 20 per cent of the poll tax no matter how hard-up they may be.

So they will be less able to pay existing levels of rents or house prices, which will drive down the value of the properties they occupy.

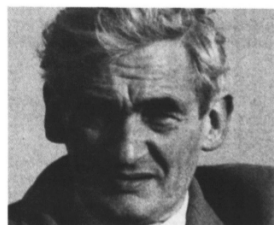
Mrs Thatcher did not fear the electoral impact of her abolition of the rating system. Dr Sandilands, speaking before the votes were cast, commented: "The opinion up here is that Mrs Thatcher has written off Scotland. It's predominantly Labour. She might win some middle-class



● Thatcher: No fear

votes in some marginal constituencies, but the working-class council estates are safe Labour seats, and it doesn't make any difference if she penalises the poor and loses their sympathy even more than she has already. She's just trying to bribe the middle class to persuade them away from the Liberal-SDP Alliance."

CROTTY COMES A CROPPER!



● Crotty: Disappointed

RAYMOND CROTTY'S celebrated legal bid to prevent the Irish government from adopting the Single European Act has ended in defeat. The Dublin Government held a referendum, after losing the court battle (see *Land & Liberty* May-June, page 35). But on May 27, in a low turnout, 70.2% of the voters favoured the constitutional amendment which would allow Ireland to ratify the Act, which extends the original Common Market treaties.

Mr Crotty said after the votes were counted that he was disappointed. But he pointed out that the political establishment had failed to persuade some 70% of the total electorate of the benefits of the measure.

In BRUSSELS, the result was welcomed with relief because a No! vote would have plunged the EEC into political crisis.

Meanwhile in LONDON, the *Financial Times* has advocated the virtues of basing the property tax on the value of land.

In an editorial on May 29, the newspaper examined the Conservative plan to abolish the rating system — the local property tax — in England and Wales. It then asked:

"A property tax is not a cut-and-dried proposal, but a principle. There is a strong case for basing it on land values rather than property values; this has proved a highly effective stimulus to redevelopment in some American cities (and such a tax was a long-standing Liberal proposal)."

Afghans reject reforms

KABUL: The Afghanistan government has abandoned its plans for land reform. The Communist Party has just published new proposals which go back on the policies that were the first main cause of the lead to the Russian invasion.

The original Communist proposals led to civil war, and from then on the government proceeded carefully on its plan to limit maximum holdings to about 15 acres. That minimum has now been lifted to 50 acres.

Certain kinds of holdings will be of

unlimited size — orchards and vineyards, land held by mixed companies and larger mechanized farms and collectives.

And legislation will be brought in to reintroduce inheritance according to Islamic law.