

July 15 [1927?]

Dear Fisher,

With reference to the draft letter to the Chancellor of the Exchequer, kindly let me know what figure should be included on line 2 of the draft, on page 2. Also whether on line 5 the figure 4 should not be changed to 5? On line 5 also I think the word "practically" should be struck out - and also the words "in both cases" in line 6. If you would kindly tell me how you calculate your figures I should then know for certain that we are looking at matters from the same point of view.

- I send you a carbon of the letter with two paragraphs added at the end,

Please let me know whether you agree that the first of these two paragraphs is desirable.

Mr. Duvall Wolfe raised two points at the Council meeting. The second of the two welded paragraphs is intended to meet the second point. Can you tell me what his first point was and whether you consider it important?

If you would kindly return enclosed documents I should be much obliged.

On another point would the meetings before the Council be more convenient if at 12.30. to 1.30. if so I could manage it.

Yours truly

L Dawson

$$\frac{1}{10} \left(\frac{570}{6} - 225 \right)$$

$$x < 540$$

$$\frac{1}{5} \left(\frac{570}{6} - 4450 \right) = 225$$

$$x > 540$$

$$= \frac{2}{25}$$

$$\frac{15}{150} = 0.1$$

$$\begin{array}{r} 6750 \\ 3375 \\ \hline 10125 \end{array}$$

$$x = 779$$

$$519$$

$$\frac{50}{12} - \frac{45}{2} = \frac{1}{25}$$

$$\begin{array}{r} 91 \\ 107 \\ \hline 115 \end{array}$$

$$\begin{array}{r} 45 \\ 225 \\ \hline 6750 \end{array}$$

$$519$$

$$1 \text{ ch}$$

$$1519$$

2

$$778$$

3

$$9446$$

Income tax 20%

	4% for child	5% for child
1	519	422
2	779	633
3	1446	880
4		1446

Income tax at 25%

	4% for child	5% for child
1	458	379
2	657	569
3	955	713
4	1746	955
5		1446

The tables above give the incomes at which investment from taxation would be complete for 1, 2, 3, ... children. If investment starts at £1200 for earned income, the figures above this income should be reduced. How much is sufficient?

I think income tax rising to 25% would mean that even the students, so I have researched on this point. The lower allowance still looks the better, even so the number of children allowed for will not be income is too small, but of course this is the whole difficulty in using income tax. There is not enough in it. *

I will work out the higher incomes if you happen to know the rules about super tax.

Ernest Goodhart

your remarks

R. A. Fisher

* Still this principle would work better in the respect than educational allowances.

At 2% investment of the tax on income is £

$$\begin{array}{l} \frac{1}{10} \left(\frac{5\%}{10} - 2.5\% \right) \text{ below } 540 \\ \text{and } \frac{1}{5} \left(\frac{5\%}{10} - \frac{4.75\%}{5} \right) \text{ above } 540 \end{array} \left. \vphantom{\begin{array}{l} \frac{1}{10} \left(\frac{5\%}{10} - 2.5\% \right) \\ \frac{1}{5} \left(\frac{5\%}{10} - \frac{4.75\%}{5} \right) \end{array}} \right\} \text{ for } 20\% \text{ tax}$$