addressed and letter

9th. September, 1929.

Dear Professor Flinders Petrie,

I think I am very fully in sympathy with the difficulties of the professional man under present taxation, but I do think it is important that those of us who are concerned to find a remedy for a situation which has every prospect of proving disastrous, should not mistake the action of cause and effect. If the decreasing numbers of school children educated at Public expense had been accompanied by a reduced budget of the Ministry of Education, we might reasonably argue that a further decrease would do something to diminish taxation; as it is we must ~~confront~~ comfort ourselves with the somewhat remote possibility that the increased expenditure per head means the production of more competent citizens.

I do not think the relation of taxation to the fertility of the tax paying class is at all so simple as is sometimes imagined. What seems to be the effective economic motive for birth control is the <u>difference</u> in standard of living between parents and non parents of the same income. The standard of living is exceedingly fluid and is being

modified all the time by the forms of expenditure favoured by our neighbours. This difference in standard of living is not directly affected by taxation, except that the abatements for children make the difference somewhat less, and so, relatively speaking, favour fertility, when taxation is high. However, I do not advocate higher taxation as even a partial remedy, for the abatements are quite small, and cannot be made higher. A man at £400 a year is already relieved of almost all income tax for the first child and can have no further abatement for subsequent children.

Personally, I think the remedy lies in our own hands, without State action of any kind. Equalisation pools between employing institutions, such as Universities, would enable them, like the French industrialists, to pay family allowances (without increasing their total expenditure on salaries) on a scale which would equalise the standard of living for each grade of worker, irrespective of the number of his dependent children. Nobody will suppose that the largest possible allowances will produce from this class an undesirable number of children, and the French experience shows that it does not even do so in their working class. About 12 per cent of the basic salary, for each child under 21, would probably work very fairly for salaries over £300. It would also solve the dilemma produced by the claim of equal pay for equal work for men and women.

In time I have no doubt we shall adopt the French system, if only for its economic advantages, but Time is the essence of the present problem, and I do not want to live to see during the next thirty years the very valuable qualities now concentrated in the upper and middle classes (very generously interpreted) reduced to less than half their present quantity.

Yours sincerely,

Professor Flinders Petrie,
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Gower Street,
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