



HOUSE OF LORDS,
S.W.1.

Monday, 16th November

6.45

Lord Mayor's Banquet
(full dress) [Speak]
(and Lady Hailsham)

Meaders Memo. Stopping the poor getting Richer.

(1) In fact FIS will touch not less than 500,000 children in not less than 160,000 families.

(2) Meacher does not include either rate rebate entitlement in his calculations, or what is more important rent rebate and in school meals reckons without the new exemption limits. So far as I can judge SB uprates are not taken into account though these, for the poorest, will offset food price increase.

(3) It is true of course that with the present system of taxation (which needs to be recast) a relief on the S.R. of I.T. means that those who pay most gain most from the relief. But that could be used at any time as an argument against relieving the I.T. payer who, in the higher brackets, is paying at a higher rate than any other industrial country. The case for the I.T. relief is (a) it is just: the first relief for 11 or 12 years and (b) the higher rates of tax are incredibly wasteful — it costs £70,000 to provide a higher exec^{ve} with ~~take home pay~~ ^{net income} of £10,000.

It is true that a band of non-taxpayers above the poorest will gain least from the package, but it is precisely these who have gained most from recent (inflationary) wage increases and who stand to gain most from expanding economy. A TWO CHILD FAMILY WITH £200 p week will not pay any of the higher charges.