

Thursday

Dear E.

The nugget of information yesterday that most intrigued me was the payment of tax on the 0.13 sales tax which is paid retrospectively at the end of the year. I am gob-smacked by the idea of ~~them~~<sup>then</sup> reclaiming this tax once you do pay the 0.13. It is interesting that, at least in UK and in taxation of individuals, you get no interest from the I.R. while they will charge you interest on money you owe them. This seems to me to be one of the systematic inequities of the architecture of capitalism.

It was also interesting to realise that the fair value principle for taxation of material assets can be side-stepped by the tax authorities, as you told me yesterday. The application or non-application

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of a new principle must be decided by somebody. Is this a technical decision or a political one?

From what you taught me yesterday I have come to realise that the Government uses the tax system rather as a captain uses the wheel of his ship - to guide the actions of other players on the economic stage. Can you show me further instances of this?

Wanly yours,

