

25 April 1907

DOUBLE INCOME
TAX.

(Dr. Jameson.)

benefit very much the people who are working in that Colony. There is not the least doubt of that. You made it out to be something like 200,000*l.* for one year which is taken, and of that 200,000*l.* a great deal would go towards the working and good government of the Cape Colony. It will not all go to the shareholders. We will do things on a better scale if we are not taxed to that extent.

CHANCELLOR OF THE EXCHEQUER: It would be an increase of the dividend.

Dr. JAMESON: Take even the sentiment point of view represented by a very small amount of cash, it would be all helpful. Then you said just now that of course the brain force is here, and that is quite true with regard to the De Beers Company. I believe it has been decided by the law courts, and it must be so, but you said that if they did not like that they could move elsewhere. It has been discussed at the De Beers Board whether it would not be worth while for the sake of saving some 200,000*l.* a year that they should move their offices out of London altogether. It could be done, I believe; it would be rather difficult to move them out to Africa altogether, but I believe that could be done; in fact there is a very strong agitation on the part of a portion of the De Beers Company to move the whole thing out to Kimberley, and I wish they would, and then the only people who would pay income tax would be the British shareholder who happened to be resident in England, and the tax would have to be collected individually. That is where the agreement I brought in just now would come in because you would practically get nothing, and it would be not only the De Beers Company, but a large portion of the companies in South Africa are here with their brain power and have to pay. They have not been tried yet—but are going to be tried.

Sir HENRY PRIMROSE: There are a good many of them here, but there are also a good many not here.

Dr. JAMESON: Really, the larger ones are a great deal controlled from London.

Sir HENRY PRIMROSE: Yes.

CHANCELLOR OF THE EXCHEQUER: Many of them are, no doubt. I did not mean to imply that the whole were.

Dr. JAMESON: It would be rather too bad to frighten any of them away. Perhaps the Treasury might lose more by frightening them away than by making this concession to companies existing within the Empire in the various British Colonies.

Of course, the position is quite as you say, Mr. Asquith, only we want it altered. Here is the Memorandum from the Treasury of 1896, and they put it here perfectly simply, and that is why I began by saying that we know without legislation we could not alter the present position of things. "The tax in England is a tax upon income received in the United Kingdom, not earned, in that respect it appears, according to the statement of the Memorial, to differ from the income tax, established in the Colonies, which extends only to incomes earned in the country where the tax is in force." Now, to us Colonists, it appears that that is a most equitable arrangement that it should be a tax upon incomes earned in the country where the tax is in force, and that is what we hope may be an indication to have discussed, at all events, if not got any further.