General BOTHA—*cont.*

comply with the technicality of the law. Such action, however, would interfere with the freedom with which shares are dealt in; it would entail a loss to the Imperial Government of the revenue it collects from the stamp duty on transfers; it would seriously interfere with the investment of British capital in South African securities. But, such as it is, it is the only alternative that a rigid interpretation of the law (as regards section 20) by the Imperial Government leaves open to the Dominion if it is to take any other position, as regards death duties, than that of a foreign country.

I would propose therefore that for the purposes of section 20 the situation of shares or debentures in a company should be held to be the country in which the company is incorporated. The application of section 20 must entail a loss of revenue to the Imperial Government and to the country to which it is applied. The Union Government would stand to refund to executors a proportion of the duty it collects on personal property situate in the United Kingdom which belonged to persons domiciled in South Africa. It would refund a proportion of the duty it so collects on shares and debentures in companies that are incorporated in the United Kingdom and carry on business in South Africa when held by persons domiciled in South Africa, and it would abandon all the duty it at present collects on such shares and debentures when they are held by persons domiciled in the Uinited Kingdom. On the other hand the United Kingdom would stand to refund a proportion of the duty it collected on shares and debentures in companies incorporated in South Africa, which according to the Transvaal estate duty collections for the year 1910 amounts to about 30,000*l.* The Imperial Government would be called upon to refund more than the Union Government, but considering the nature of the South African property, which consists mainly of mines and partakes of the nature of realty, I think it will be conceded that in equity this should be so.

In conclusion I would urge the desirability of finding a way out of the duplication of the death duties within the Empire, which, if the English law as to the situation of shares and debentures is strictly enforced, will not, I think, be for long avoided in other parts of the Empire. Their imposition leads to evasions of South African duty and must tend, as any excessive taxation is bound to do, to evasion of the Imperial death duties also. They must also act as a deterrent to the investment of British capital in South Africa.

Mr. LLOYD GEORGE: Mr. Fisher, you have already had this in Australia. We have an arrangement with you about death duties.

Mr. FISHER: No.

Mr. LLOYD GEORGE: Yes, I think so, except as to Queensland.

Dr. FINDLAY: The same as New Zealand, I think.

Mr. LLOYD GEORGE: Yes.

Mr. FISHER: We are not seriously worrying about that.

Mr. LLOYD GEORGE: No, I do not see why you should worry about a thing you already have.

The PRESIDENT: You do not want to say anything about it, Mr. Fisher?

Mr. FISHER: No.

Sir JOSEPH WARD: I consider we are all right as we are.