

and income taxation in New Zealand, concerning double taxation (recommendation (o) on page 6 of New Zealand parliamentary paper 1—B.—5 of 1924).

2. If the New Zealand Government should decide in pursuance of that recommendation to introduce legislation complementary to section 27 of the United Kingdom Finance Act, 1920 (a copy of which was enclosed in Lord Milner's despatch, Dominions No. 427, of the 4th October, 1920), in regard to relief in respect of double income-tax, the terms of such legislation would seem to require consideration in the light of that section, and in the circumstances the Board of Inland Revenue would be happy to co-operate, should the New Zealand Government so wish, in the preparation of the legislation required.

3. It may be observed, with reference to the proviso contained in the recommendation that the arrangements for relief in respect of double taxation should not operate to place British investors in New Zealand on a better footing than New Zealand investors, that if provision were made in New Zealand for the complementary relief recommended by the Royal Commission on Income-tax in paragraph 70 of their report of the 11th March, 1920 (a copy of which was enclosed in Lord Milner's despatch, Dominions No. 114, of the 24th March, 1920), the relief would not have that result, as the measure of the total relief to be given in this country and in New Zealand would be the lower of the two rates of tax; so that the investor, after allowance of the relief in both countries, could not bear less in all than the higher of the two rates to which he might be liable in either country before allowance of the relief.

I have, &c.,

J. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,
LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

No. 5.

New Zealand, No. 20.

SIR,—

Downing Street, 6th February, 1925.

With reference to my predecessor's telegram of the 23rd February, I have the honour to transmit to Your Excellency, for the information of your Ministers, three copies of the report by Mr. H. Munro on the sheep-farming industry of the Falkland Islands.

2. I also enclose an extract from the despatch from the Governor of the Falkland Islands forwarding the report, together with an extract from the reply which I returned to the Governor.

3. I shall be glad if you will bring to the notice of your Ministers the valuable services rendered by Mr. Munro to the Colony of the Falkland Islands; and I also desire to take this opportunity of expressing my appreciation of the great assistance which your Ministers have afforded the Colonial Government in the matter.

I have, &c.,

J. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,
LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

Enclosures.

EXTRACT FROM A DESPATCH, NO. 101, FROM THE GOVERNOR OF THE FALKLAND ISLANDS, DATED
4TH NOVEMBER, 1924.

SIR,—

With reference to the correspondence noted in the margin [To Secretary of State, No. 42, of 26th March, 1923. From Secretary of State, No. 15, of 14th March, 1924], I have the honour to transmit to you a report by Mr. Hugh Munro, Principal District Inspector of the Department of Agriculture of New Zealand, on his investigations in connection with the sheep-farming industry in the Falkland Islands.

2. I desire to record my deep appreciation of the very important service which Mr. Munro has rendered to this colony in carrying out the investigations in so thorough a manner, and of the care and thought which he has bestowed upon the problems with which the industry is faced. The report contains practical suggestions based on his wide experience and profound knowledge of modern methods of farming which cannot fail to be of the utmost value in such efforts as may be made to establish the industry on sound and successful lines.

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