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**Dynamics of the British Multinational Enterprises and
International Tax Regulation, 1914–1945**

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Abstract

This study explores dynamics between formation of a tax system and its adaptation by enterprises over a period of time. In particular, the study examines the formation process of the British international tax system, focusing on business interest groups' political activities and British multinational enterprises' behaviour from 1914 to 1945. It is clarified that some business interest groups highly influenced the British international tax system. Political activities contributed to legislating Dominion Income Tax Relief in 1920 and concluding the UK–US tax treaty in 1945. However, the British government did not always welcome business interest groups' political activities. Inland Revenue and the Treasury were particularly reluctant to reduce tax revenue. Additionally, the governmental body always endeavoured to minimise tax relief's scope. In such a tax environment, British multinational enterprises changed corporate structures, locations, and/or domiciles in some cases. Furthermore, the British overseas engaged in tax planning, identical to contemporary multinationals' tax planning.

Keywords: Taxation history, International taxation, Business interest group, International business, Corporate political activity

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1. Introduction

Although enterprises are forced to follow regulations or conform with institutions, rules are actually constructed by listening to enterprises' voices. This study explores dynamics between formation of a tax system by multiple political actors and its adaptation by enterprises over a period of time. In particular, the study examines the tax system for preventing international double taxation on business income in the United Kingdom (UK) and the behaviour of British multinational enterprises (MNEs) from 1914 to 1945. During that time period, a British international tax system was formed, swayed and changed.

The policy-making process is comprised of a large and diverse number of actors, who have their own beliefs and logic. One of the most established theories of policy process formulates that a window of opportunity for political change opens when some actors inside and outside government pay attention to the problem, come up with the viable solution and have the motive and opportunity to turn it into policy (Kingdon, 1984; Weible and Sabatier, 2017). Furthermore, even if advocates do not realise policy alteration, then external events, such as changed socioeconomic conditions or enlightenment to and from other actors, gradually prepare for policy change at some point (Sabatier & Jenkins-Smith, 1993).

Among political actors considered, this study highlights business interest groups, which intermediate between enterprises and governmental body(ies). According to Moran (1985), the business community in the UK's system of pressure group politics had the longest history of effective political activity. Other extant studies demonstrated that local and national voices of business interest groups was an influential, if not the supreme, power in British politics (Holland, 1981; Bennett, 2011). Then this study analyses how and to what extent British business interest groups (e.g. Federation of British Industries, London Chamber of Commerce, and Association of British Chambers of Commerce) influenced the policy-making process and interacted with other political actors inside and outside the UK (e.g. Inland Revenue, International Chamber of Commerce). Although some have previously studied the history of British international tax system (Picciotto, 1992; Avery-Jones, 2009, 2013), they rarely mention actions of national business interest groups. Therefore, from this different angle, the study provides new knowledge about the history of international taxation in the first half of the 20th century.

On the other hand, business interest groups also observe constituent enterprises and hear their voices. Although coercive pressure, such as regulation to enterprises, encourages isomorphism among organisations, different firms can strategically choose their degree of response to regulatory pressures (DiMaggio and Powell 1983; Oliver, 1991). Some firms do not acquiesce but avoid, defy or manipulate a regulation, engaging in the corporate political activity or non-market strategy for a policy change (e.g. Hillman et al., 2004; Mellahi et al., 2016). Having said that, the number of articles about the history of MNEs and international taxation is still small (Mollan and Tennet 2015; Izawa 2014,

2015a, 2015b, 2015c). The thing to do first is to collect and organise, as much as possible, historical information on corporate behaviour in response to international tax regulation.

In this paper, I first provide a brief introduction to the international tax system, which seems an unfamiliar topic. Then, I explore the history of the British international tax system, British MNEs and business interest groups, dividing the time period into three parts, 1914–1920 (formative period), 1920–1936 (relatively stable period) and 1936–1945 (turbulent and reformatory period). Some brief conclusions follow in the final section.

2. A Brief Guide to International Taxation³

International double taxation occurs when two or more countries impose taxes on the same taxpayer for the same subject matter. Also, one of a national government's main roles in an international tax system is to prevent international double taxation on business income. Let us consider Company X with a parent located in Home Country A that establishes a business in Host Country B in the form of Branch Y. Under certain conditions, both Home Country A and Host Country B may tax Branch Y's income.

Two basic concepts for understanding international taxation are residence and source. Under the residence principle, a country's claim to tax income is based on its relationship to the person (including corporations) earning that income. In general, a country invokes the residence principle to impose tax on its residents' worldwide income. For example, if Country A adopts the residence principle, A's tax authority can impose corporate income tax on worldwide profits, viz., Company X's and Branch Y's income. By contrast, under the source principle, a country's claim to tax income is based on the country's relationship to that income. For example, if Country B adopts the source principle, B's tax authority can impose the corporate income tax on Branch Y's profits.

In the UK, the government adopted a certain residence principle. International double taxation was inevitably caused between countries with the source principle. Notably, however, the UK partially adopted the source principle because it imposed the corporate income tax on profits from permanent establishments of non-residents (e.g. branches and dependent agents). In fact, no countries had pure residence principle. Thus, a relief system from international double taxation was needed.

Relief from international double taxation can be provided mainly in two ways: (1) unilateral relief and (2) bilateral/multilateral relief. The former provides for relief of some kind by the home country. Typical unilateral relief methods are (a) foreign tax credit, (b) foreign tax deduction, and (c) foreign income exemption. In the foreign tax credit method, a country treats foreign income tax paid to another country as if it were an income tax paid to itself. The foreign tax deduction method provides a way for taxpayers to write off the cost of any tax they pay to a foreign country. As for the foreign

³ This section referred to United Nations (2011).

income exemption method, a country exempts from taxation any income earned in another country. For instance, let the income of Country B's Branch Y of parent Company X, residing in Country A be 100, A's tax rate be 20% and B's tax rate be 10%. In foreign tax credit, income after tax = $100 - (100 \times 0.2) = 80$. In foreign tax deduction, income after tax = $100 - (100 \times 0.1) - \{(100 - 100 \times 0.1) \times 0.2\} = 72$. Moreover, income after tax, based on the foreign income exemption method, is $100 - (100 \times 0.1)$, 90. As we can see, foreign tax credit and foreign income exemption could theoretically eliminate international double taxation. In contrast to these two methods, foreign tax deduction did not prevent double taxation.

With regard to bilateral/multilateral relief, governments of two, or more than two, countries can agree to provide relief against international double taxation by working out the basis on which relief is to be granted. Nowadays, more than 4000 bilateral tax treaties exist worldwide. Also, those treaties refer to model tax conventions, which are models for bilateral tax treaties, for example the OECD Model Tax Convention and the UN Model Tax Convention.

On the basis of this brief background, the study below explores how British international tax policy from 1914 to 1945 was shaped in relation to business interest groups and British MNEs.

3. Problems of International Taxation and British Unilateral Relief, 1914–1920

Since the First World War, in many countries, steep rises in business income tax rates for military or welfare spending meant that businesses operating in more than one country could be harshly taxed. As for the UK, the income tax rate on business income was 5.8% in 1913, 8.3% in 1914, 12.5% in April 1915, 17.5% in October 1915, 25% in 1916, and 30% in 1918 (Figure 1). Moreover, the Finance Act of 1914 removed the remittance basis and levied British income tax on income abroad even though it was not remitted to the UK. Although the British government substantially provided foreign tax deduction following the legacy of remittance standard, the tax relief method (as in section 2) is defective for prevention of international double taxation, which then came to be regarded as a serious problem (Picciotto, 1992; Avery-Jones, 2013).

As might easily be expected, this unprecedented situation prompted British enterprises to complain about the heavy burden and take some measures to alleviate its effects. Table 1 shows that the number of disgruntled companies surged in fiscal year 1916. Furthermore, some companies not only complained about international double taxation in their company meetings, but removed their head offices to foreign countries or just sold overseas businesses to avoid being taxed (see Table 2).

Thus, on 10 August 1915, the London Chamber of Commerce (LCC) decided to establish the special Double Income Tax Committee to gather information and draw up a solution plan. By then, some local and smaller Chambers of Commerce and individuals had already petitioned governmental

bodies.⁴ However, the most powerful pressure group was the Association of Protest against the Duplication of Income Tax within the Empire (APDITE), established 20 December 1915.⁵

This purpose-oriented and ad hoc business interest group APDITE vigorously engaged in political activity to improve foreign tax relief within the British Empire. The association allied with LCC, the Association of Chambers of Commerce of the United Kingdom (name changed in 1919 to the Association of British Chambers of Commerce, ABCC) and the Royal Colonial Institute, convening some 'very large and representative' political meetings in collaboration with them. Moreover, brochures on political rallies were sent to all members of parliament, some of whom became spokesmen for APDITE and aggressively addressed the issue in the Parliament.⁶

Consequently, the Finance Act of 1916 provided temporary tax relief within the Empire. As Table 1 shows, however, numbers of complaints did not subside because it was regarded as just a temporary measure. In 1917, the Imperial War Conference decided on the Resolution that 'the matter should be dealt with immediately after the close of the War'. The international double taxation problem was then left unresolved until the end of the War. But afterward, on 7 May 1919, the Royal Commission on Income Tax was launched to organise the entire British income tax system.

As the name of the APDITE indicates, the international double taxation problem during the First World War was regarded as exclusively the British Empire's problem. However, two important events occurred just before the Commission was launched. First, on 23 April 1919, *The Times* reported that the United States had introduced unlimited, as well as worldwide, foreign tax credit in the Revenue Act of 1918, passed on 13 February 1919.⁷ Second, on 29 April, a secret meeting of Inland Revenue (IR) decided that Dominion relief was the 'primary element in relief'. On the other hand, it was confirmed that further relief would provide as far as 'hardship' was admitted.⁸ Therefore, relief

⁴ The London Chamber of Commerce (LCC), Minutes of a Joint Conference of Representatives of the Committee & Sections Interested in the Subject of Double Income Tax, July 21st, 1915, London Metropolitan Archives (LMA), CLC/B/150/MS 16623/001.

⁵ The Association of Protest against the Duplication of Income Tax within the Empire (APDITE), The Report of the Executive Committee with Appendices: December 10th, 1915 to July 31st, 1916, National Library of Australia (NLA), Np 336.2409 A849.

⁶ APDITE, The Report: December 10th, 1915 to July 31st, 1916.

⁷ *The Times*, 23 Apr. 1919, p.19. The Revenue Act of 1921 introduced a limitation on this foreign tax credit to ensure that a taxpayer's total foreign tax credit could not exceed the amount of US tax liability on the taxpayer's income from foreign sources (Gratez and O'Hear 1997).

⁸ Inland Revenue (IR), 'Note as to the conference on double income tax on 29th April, 1st May 1919' in Royal Commission on the Income Tax 1919-1920. Inland Revenue Memoranda. VOL 7, National Archives (NA), IR 75/188.

outside the British Empire was also hurriedly treated as an important issue after the end of the War.

Table 3 briefly lists Royal Commission witnesses who expressed opinions about international double taxation.⁹ The first civil witness to the Commission was a chairman of the APDITE, Frederick Young, who claimed relief just within the Empire. As far as we were able to ascertain, the business interest groups APDITE, LCC, and ABCC, which had grasped the government's attitude through lobbying before the Royal Commission, abstained from claiming more generous relief. For instance, representatives of LCC requested relief outside the Empire, but admitted 'a greater difficulty' for government authority in terms of revenue deficit. Their political attitudes substantially supported the IR's view that 'there is at present little general sentiment in favour of relief outside the limits of the Empire'.

As a result, the Commission's Final Report recommended that the British government provide foreign tax credit within the British Empire and limit it to a maximum half credit. Following the Report, 'Dominion Income Tax Relief' was legislated in the Finance Act of 1920. On the other hand, as to relief outside the Empire, the Report proclaimed the following:

No satisfactory change from present conditions could be made unless reciprocal arrangements were effected between the Government of the United Kingdom and the Government of each foreign State where an Income Tax is in force; and that it would only be practicable to arrive at such arrangements by means of a series of conferences, possibly under the auspices of the League of Nations.

The phrase 'the League of Nations' originated from a witness on behalf of a fresh business interest group, the Federation of British Industries (FBI). And the FBI, established in 1916 mainly for big British manufacturers and becoming a member of the British National Committee of the International Chamber of Commerce (British Committee of ICC), played a key role in subsequent changes to the British international tax system (Holland, 1981).

3. The League of Nations and British International Tax Policy, ca. 1920–1936

Since the US government introduced the foreign tax credit in 1919, the problem of international taxation was obviously not limited to the UK. On 10 January 1920, one month after the League of Nations (LN) was founded, the Council decided to convene an international conference to study the financial crisis. So then, the International Financial Conference at Brussels was held in September–October 1920, recommending that the LN consider the problem of international double taxation. The organisation meeting of the International Chamber of Commerce (ICC) in June 1920 also considered international double taxation to be one of the most important topics on the agenda and adopted the resolution to request the LN solve the problem (Wang, 1945; Simontacchi, 2007; Jogarajan, 2013).

⁹ For a detailed description of the Royal Commission on Income Tax, see Jones (2013) or Izawa (2015c).

Following the trend, the LN began to tackle the international taxation problem in cooperation with governments' tax experts (inc. the US), prominent economists (e.g. Edwin Seligman, Thomas Adams, and Josiah Stamp) and the ICC. Thus, international collaboration resulted in the LN Model Tax Treaties in 1928, the first model tax convention for bilateral tax treaties. This study does not detail processes in the LN and ICC due to previous representative studies (e.g. Herdon, 1932; Wang, 1945, Picciotto, 1992; Graetz, and O'Hear, 1997; Avery-Jones, 2009, 2013; Jogarajan, 2013; 2015), but roughly sketches involvement with British representatives in these 1920s debates.

In the worldwide political arena on international taxation, British representatives continually insisted that every government should adopt the pure residence principle and thereby solve the international double taxation problem at one stroke. This hard-line attitude was seen at least in 1923, when Josiah Stamp, who was an ex-inland Revenue Officer and professor of London University as well as appointed as one of four economists to study future international taxation by the Financial Committee of the LN, wrote the draft report of the Economists' Report on Double Taxation (Avery-Jones, 2013; Jogarajan, 2013). The exclusive residence principle, which made a source country discard its tax revenue, was understandably advantageous to a capital-exporting country like the UK. The representatives of the British Committee of ICC also assimilated the governmental view at ICC conferences (Graetz, and O'Hear, 1997).

However, no other country's representatives supported the idea of pure residence principle. Although the Economists' Report finally favoured the pure residence principle, the opinion of American economist Edwin Seligman that this approach would be unacceptable to many countries was proved correct (Jogarajan, 2013). The subsequent 1925 and 1927 Technical Experts' Reports of representatives of other countries (e.g. France, Germany, Japan, and Argentina) did not support the British view, but favoured tax allocation according to the categorization of sources of income. Consequently, the 1928 LN Model Tax Treaties admitted some taxable sources of income (i.e. immovable property and permanent establishment) to a source country and foreign tax credit as a coordination method between the home country and the host country. Nevertheless, the Model Tax Treaties approved 'three' models, one of which, model 1b prepared by US and UK representatives, was relatively advantageous to capital-exporting countries in terms of the treatment of dividends and interest (Picciotto, 1992; Avery-Jones, 2009).

British representatives eventually persisted with the pure residence principle in the LN and ICC even after the 1928 Model Tax Treaties (Avery-Jones, 2009). As expected, the government did not provide any foreign tax relief outside the British Empire. It concluded any tax treaty other than the 1926 UK-Irish Free State tax treaty, which reciprocally adopted the pure residence principle and reflected a certain historical relationship of both nations (Wang, 1945).

Thus, the tax environment of British MNEs operating businesses outside the Empire did not improve during the interwar period. Complaints appearing in newspapers' columns about company

meetings were ostensibly rare, probably because the corporate income tax rate levelled off during that time. In reality, however, the big British MNEs (e.g. Unilever, Courtaulds, and Imperial Continental Gas Association) engaged in various types of tax planning, for instance, reorganisation of business entities, use of tax havens or financial subsidiaries to utilise thin capitalisation (Izawa, 2014, 2015b).

The FBI stood between world politics and the voice of British business. In parallel with the debate in the LN and ICC, the Taxation Committee of the FBI also discussed the international taxation problem. However, their political attitude did not completely follow that of British representatives, unlike the ABCC, the ex-president of which was an ICC council member. According to the minutes of the taxation committee of the FBI in 16 February 1922, the members praised the US foreign tax credit and discussed whether 'the Committee should press for action similar to that of the United States'.¹⁰

Furthermore, on 6 January 1925, the FBI launched its Double Taxation Sub-Committee. Under the chairmanship of Samuel Courtauld, the Sub-Committee compiled the following content for a draft petition to the Chancellor of the Exchequer, Winston Churchill:

The Federation will therefore welcome the immediate introduction of legislation that will provide early relief to British Industry from the burden of double taxation in respect of business carried on in foreign countries. The Federation is not committed to the support of any of the alternative methods suggested by the Committee of Experts of the League of Nations. [...] and expresses its desire and readiness to discuss with the advisers of the Chancellor of the Exchequer the most practical solution of the problem.¹¹

The draft clarified that the FBI did not intend to discuss a desirable standard, but needed a prompt and practical solution. The Sub-Committee's draft was read in the Taxation Committee, with a Committee member explaining that a bilateral-tax-treaty with the US was feasible. However, it would not be based on pure residence principle because the US government 'might prefer a different method'.

Although Churchill expressed sympathy with companies suffering from international double taxation, the FBI's 1925 petition did not immediately change the tax policy. In 1927, the FBI and the Reichsverband der Deutschen Industrie had a special meeting to discuss a bilateral-tax-treaty between the UK and Germany.¹² However, private-sector economic diplomacy was also frustrated. Nevertheless, in hindsight, the FBI's policy advocating a bilateral-tax-treaty based solution without persistence of the pure residence principle showed the way to a new British international tax system.

¹⁰ Federation of British Industries, Minutes of a Meeting of the Taxation Committee of the Federation of British Industries, Modern Record Centre, University of Warwick, MSS.200/F/1/1/129.

¹¹ MSS.200/F/1/1/130.

¹² MSS.200/F/1/1/131.

4. Towards the UK–US Tax Treaty in 1945

Although in early 1930, the political debate about international double taxation was inactive in the UK, the introduction of a US dividend tax in 1936 returned the international taxation problem to the limelight. The Revenue Act of 1936 imposed a 10% withholding tax on dividends paid to corporate shareholders. As a result, British MNEs had to pay the American dividend tax as well as the American corporation tax and the British income tax. For example, in 1936, a UK multinational based in the USA suffered from the US dividend tax of 10%, US corporation tax of 15% and UK income tax of 23.75% (Izawa, 2015a).

Many newspapers and economic magazines again devoted enormous space to the international taxation problem. In one example, *The Economist* stated that 'the present position of Anglo-U.S. taxation, indeed, is somewhat anomalous, and a proper agreement on the lines of our agreements with the Dominions should be welcome'.¹³ Moreover, we can see a similar tone in *The Times*, *The Financial Times*, and *Anglo-American News*.¹⁴ *The Times* also reported that H.P. Sauce, a sauce product company with large interests in the US, complained about the international double taxation problem during general meetings in 1938 and 1939 (*The Times*: H. P. Sauce 1938, 1939).

However, British business interest groups showed a stronger reaction. The FBI now regarded negotiation with the US government as an urgent matter.¹⁵ In addition, the British Empire Chamber of Commerce in the United States of America filed a written opinion to IR with signatures of 63 British MNEs possessing US subsidiaries. The document stated, 'It is impossible to state that would be the loss in revenue to the British government, but the offsetting advantages of stimulation of trade between the two countries should far outweigh any adverse effect'.¹⁶

Having said that, further deterioration of socioeconomic conditions was decisive for new policies in the British international tax system. The Second World War's outbreak again caused a sharp rise of income tax rates in many countries. In response to the tax situation, British multinationals engaged more keenly in tax planning. Eventually, on 27 September 1940, the Treasury was forced to prohibit companies domiciled in the UK from transferring their businesses abroad without the authority's prior consent (*The Times*: 'Transfer of companies abroad' 1940). Needless to say, the pressure of British business interest groups culminated at that time for change in the existing international tax system.¹⁷

¹³ *The Economist*, 2 Oct. 1937, p.24

¹⁴ E.g. *The Times*, 19 Mar. 1937, p.12; *The Financial Times*, 29 Aug. 1938, p.4; *Anglo-American News*, Vol.5 No.6, June 1938, pp.230-234

¹⁵ MSS.200/F/1/1/132-133.

¹⁶ MSS.200/F/3/E5/13/5.

¹⁷ MSS.200/F/1/1/134.

Moreover, a meeting in 1944 among the Treasury, Foreign Office and IR unveiled that British firms with major US subsidiaries (thought to number 57) had taken legal advice about ways to circumvent double taxation. In particular, transfer pricing using double invoices was treated as an imperative matter. According to meeting materials, 'One method is to fix a maximum invoice price here at such a level that the American branch makes no profit. This meant showing two prices on the invoice, but even so the American customs accept the lower price and take no notice of the higher price to the ultimate purchaser'.¹⁸

Finally, complaints by many British multinationals and business interest groups encouraged the Foreign Office to discuss and negotiate a bilateral-tax-treaty with the US. It also abided by the spirit of the Atlantic Charter. Thus, the UK–US tax treaty was concluded on 16 April 1945, in response to economic and political demand.

According to Picciotto (1992), the successful UK–US tax treaty in 1945 was a turning point in development of international tax arrangements through bilateral tax treaties after the Second World War. This treaty provided a foundation for the 1946 London Model Tax Conventions, which was a basis for OECD Model Tax Conventions.

6. Conclusion

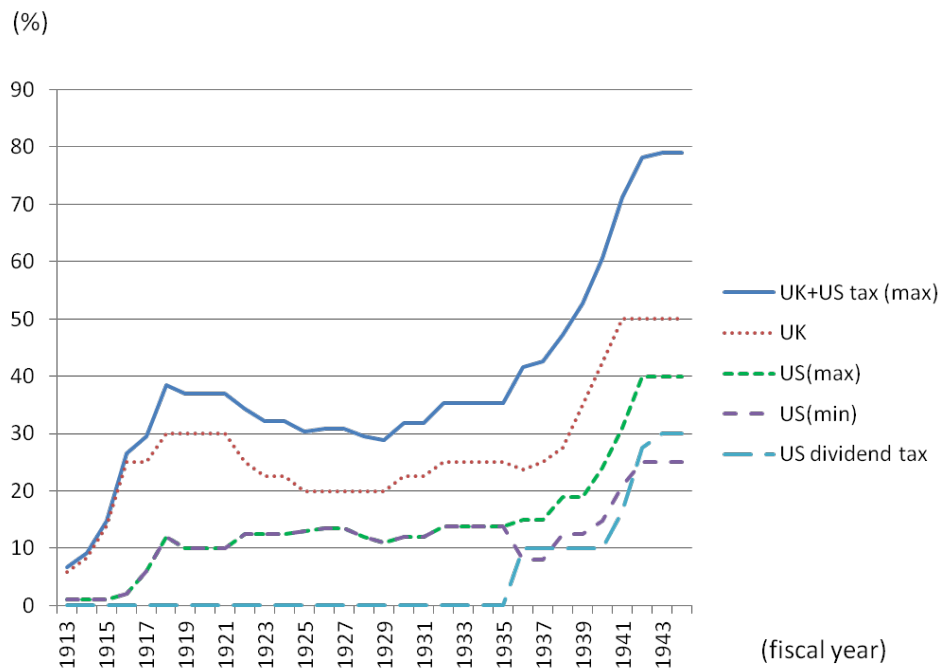
In sum, this study confirmed that some business interest groups in the UK highly influenced the British international tax system from 1914 to 1945. The political activities of the APADITE, LCC and ABCC during the First World War contributed to legislating Dominion Income Tax Relief in 1920. The FBI's long-standing activities to request a bilateral-tax-treaty with the US bore fruit in 1945.

However, business interest groups' political activities were not always welcomed by the British government. IR and the Treasury were particularly reluctant to reduce tax revenue, and governmental bodies always endeavoured to minimise tax relief's scope. For example, the phrase, 'under the auspices of the League of Nations' became a good excuse for *no* change in the foreign tax deduction method outside the Empire when British governmental representatives did not manipulate the discussion on international taxation in the LN. Eventually, an agenda, 'foreign tax relief outside the Empire', was achieved when the British socioeconomic condition had clearly changed.

In such a tax environment, British MNEs responded dramatically to international taxation, changing corporate structures, locations, and/or domiciles in some cases. Furthermore, the British overseas engaged in tax planning, for instance, accumulation of overseas profit, establishment of holding companies in small European countries or use of the differential tax on equity capital and debt capital. Such planning was virtually identical to contemporary multinationals' tax planning.

¹⁸ Foreign Office, Double Taxation and the United States, 1944, National Archives, FO371/38588, pp. 1-3.

Figure 1 The rate of Income Tax on Business Income of the UK and US, 1913-1944



(Sources) Peden, G. C., *The Treasury and British Public Policy 1906-1959*, Oxford University Press, 2000, pp. 44, 94,149,207,212,268,287; Taylor, J., 'Corporation Income Tax Brackets and Rates, 1909-2002', *IRS, Statistics of Income Bulletin*, 2003, pp.287-288.

Table 1 The number of companies, complaining about “double income tax” and “double taxation” on the columns of company meeting in *The Times*, *The Financial Times*, and *The Economist*, 1914-1923

Fiscal Year	Total	Empire	Foreign	Australia	S. Africa	NZ	India	Canada	Bolivia	France	Mexico	Dutch Indies	US
1914	2	2	0	1	1								
1915	3	3	0	0	1		2						
1916	23	19	4	12	2	5	2		1	1			2
1917	12	12	0	8	2	2		1					
1918	5	5	0	4		2							
1919	6	5	1	4	1	1						1	
1920	5	3	2	2				1				1	1
1921	8	4	4	1	1	1	1	1		1	1	2	
1922	1	0	1							1			
1923	5	1	4		1					1			1
	70	54	16										

Table 2 The number of companies and corporate actions, complaining about “double income tax” and “double taxation” on the columns of company meeting in *The Times*, *The Financial Times*, and *The Economist*, classified by countries and industries

	Total	Relocated	Sold
Australia	14	1(1920)	
South Africa	7	1(1923)	1(1921)
New Zealand	6	1(1916)	
India	4	2(1915, 1921)	
Australia, India	2		
Australia, NZ	1		
Canada	2		
Empire	36	5	1
Dutch Indies	4		1(1920)
US	4		1(1920)
France	2	1(1916)	
Bolivia	1	1(1916)	
Mexico	1		
Netherland	1		
Others	1		
Foreign	14	2	2
Total	50	7	3

Industry	Total	Relocated	sold
Brewery	2		
Electricity	1	1	
Immovable Property	1		
Finance(Bank, Insurance)	15		2
Mining	10	2	1
Livestock Breeding	5	1	
Railway, Tramway	5	2	
Railway and Mining	1		
Oil, Rubber	4		
Textile	1		
Trading Company	3	1	
Unknown	2		
	50	7	3

Table 3 Witnesses, the attitudes to Dominion Relief and Foreign Relief in the Royal Commission on Income Tax, 1920

	Witness	On the behalf of	Dominion Relief	Foreign Relief	
1 st day 7 May 1919	R. V. N. Hopkins	Commissioner of Inland Revenue (IR)	○	Not mentioned	
2 nd day 8 May	F. Young	the APDITE	○	×	He stated Foreign relief did not need
4 th day 22 May	C. C. McLeod	the East India Section, LCC	○	Not mentioned	A Inquisitor referred to the US tax credit reported Time
4 th day 22 May	W. Mosenthal, et al.	trading company on South Africa and UK	○	Not mentioned	
9 th day 2 July	A. M. Singer, et al.	sons of the founder of the Singer Manu.	Not mentioned	○	
10 th day 3 July	J. Martin, et al.	the LCC	○	○*	They admitted greater difficulty, about Foreign Relief
11 th day 16 July	E. R. Harrison	Assistant Secretary to the Board of IR	○	Not mentioned	He pretended? not to know the US system
12 th day 17 July	A. Williamson	trading company on US and UK	○	○	
13 th day 18 July	A. F. Firth, et al.	the Association of British Chambers of Commerce	○	○*	They Required Allied Countries Relief
15 th day 31 July	W. G. Rayner	the Society of Incorporated Accountants	○	Not mentioned	
16 th day 1 Aug.	J. C. Stamp	Late Assistant Secretary to the Board of Inland Revenue	Not mentioned	Not mentioned	He proposed the theory on Double Income Tax
20 th day 24 Sep.	R. B. Hopkins	the National Federation of Iron and Steel Manufacturers	○	Not mentioned	
21 st day 25 Sep.	O. E. Bodington	the British Chamber of Commerce, Paris	Not mentioned	Not mentioned	All countries levied same rates.
24 th day 9 Oct.	M. Muspratt, et al.	the Federation of British Industries (FBI)	○	○*	Through the League of Nations or diplomatic channel
33 rd day 20 Nov.	J. W. Budd, et al.	the Law Society	○	Not mentioned	
35 th day 3 Dec.	E. C. Pegler	a fellow of the Institute of Chartered Accountants	○	○	Not discriminate Dominion and Foreign
36 th day 4 Dec.	E. R. Harrison, et al.	Assistant Secretary to the Board of IR	○	×	
37 th day (Final) 5 Dec.	A. Steel-Maitland	the Rio Tinto Company	Not mentioned	Not mentioned	he explained the suffering

○...Need, ×...Not Need

(Source) Royal Commission on the Income Tax: Minutes of Evidence, Appendices and Index (Cmd. 288), 1920.

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