

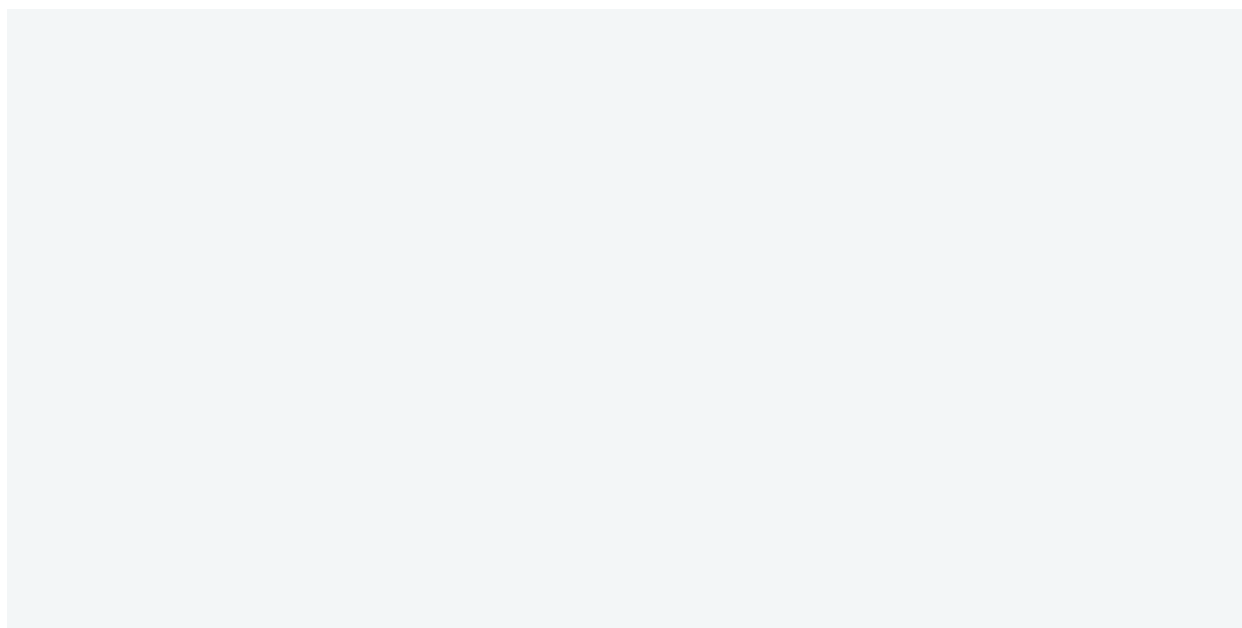
# GOOGLE WHACK Philip Hammond will introduce a Digital Services Tax in crackdown on tax-dodging web giants


The new levy was the gem of his keynote speech to the Tories' annual conference

By Tom Newton Dunn, Political Editor

**TAX-DODGING tech giants will be forced to stump up more under the Chancellor's 21st-century blueprint to defeat Corbynism.**

Philip Hammond delighted Tory conference activists with his surprise vow to introduce a Digital Services Tax.



 Philip Hammond's crackdown on tech giants has been welcomed

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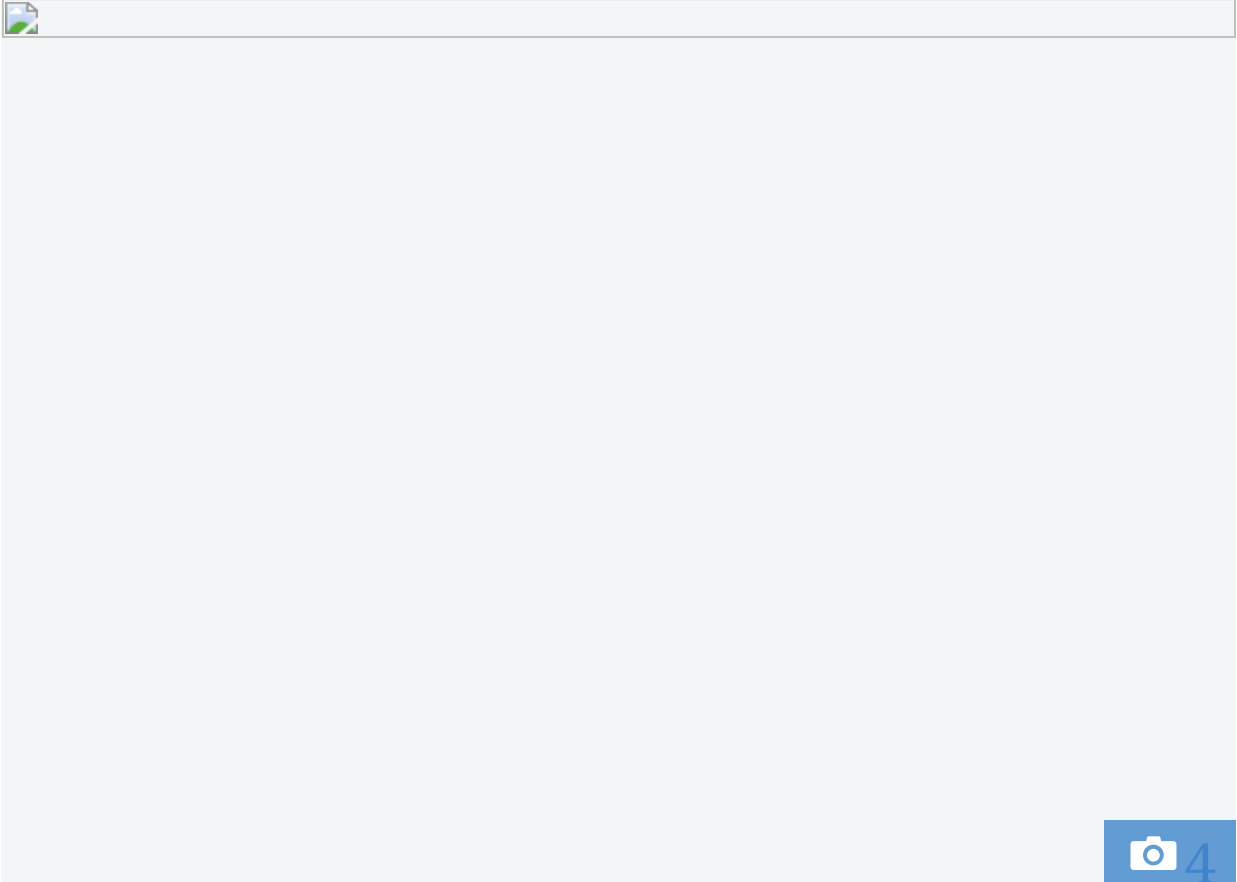
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The levy on international profits made from users in Britain by - California-based giants such as [Facebook](#) and [Google](#) will recoup hundreds of millions of pounds.

Mr Hammond wants it in place in one to two years if a global agreements on taxing tech firms still cannot be reached. The crowd-pleaser was the gem of his keynote speech to the Tories' annual conference in Birmingham.

But he also used it to spell out a vision to harness the unfolding technology revolution to improve angry Brits' lives. It was Mr Hammond's rival offer to defeat hard-left Labour leader Jeremy Corbyn's Socialist blueprint.

Mr Hammond told the conference: "Global internet giants must contribute fairly to funding our public services. The best way to tax international companies is through international agreements.




"But the time for talking is coming to an end and the stalling has to stop. If we cannot reach agreement, the UK will go it alone with a Digital Services Tax of its own."

The Chancellor will push ahead with the move after losing patience with the US.

Despite repeated promises for global action to end the tax dodge, President Trump's administration is still stalling on a solution as it reaps billions from the firms, with so many based on the US's West Coast.

Britain is instead now looking at Europe-wide action, as France is also keen for something to be done. The Treasury is also consulting on a second online levy, an Online Sales Tax, to force digital retailers such as Amazon to pay more tax too.

 The Chancellor was accompanied at the conference by his wife Susan

AFP OR LICENSORS



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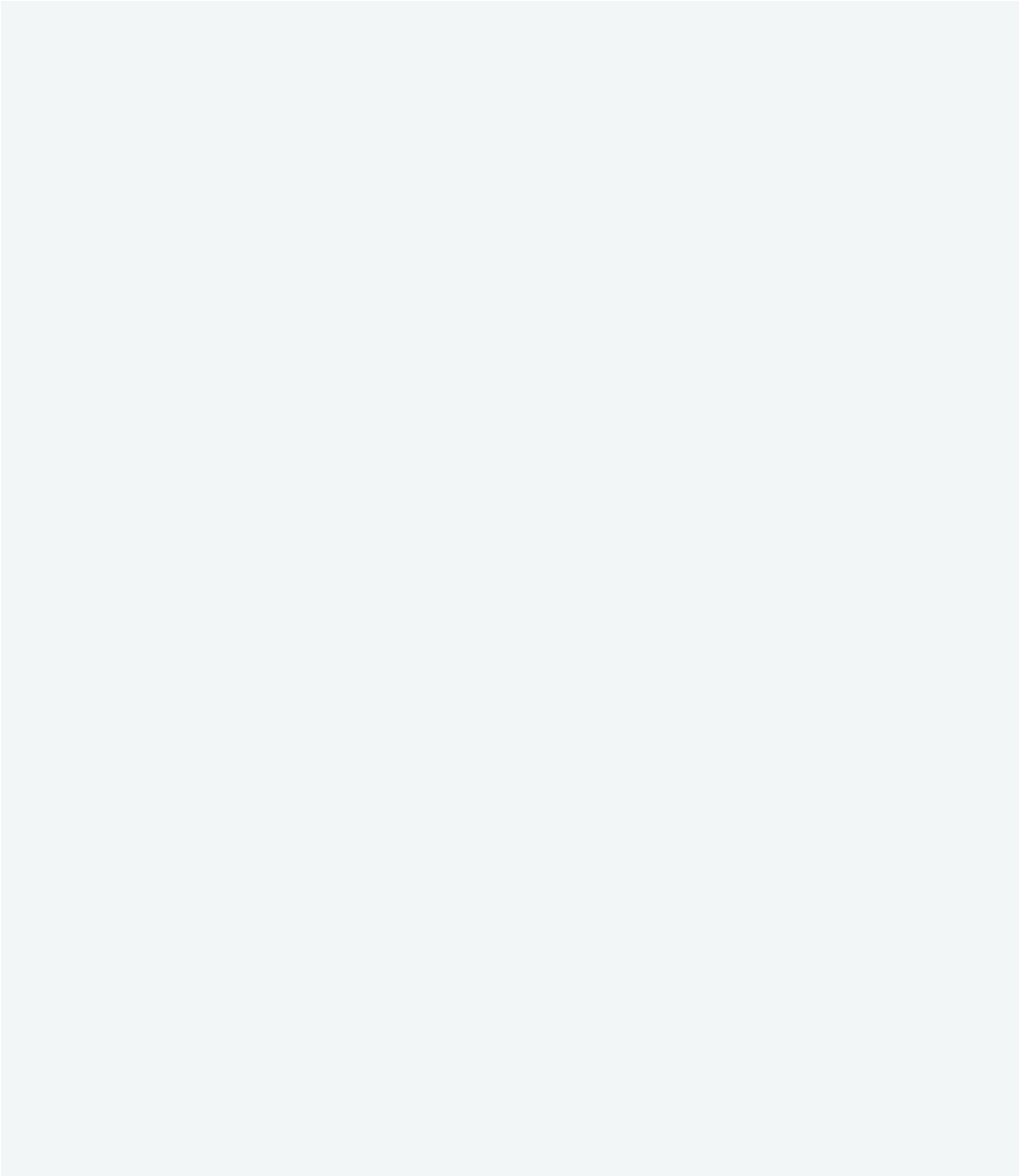
But sources close to the Chancellor said he is going cold on that as he fears the giants will just pass it straight on to consumers.


The Cabinet has been under heavy pressure to combat Mr Corbyn's polished offer of [Socialist solutions to angry voters'](#) woes during a successful Labour conference last week.

Mr Hammond tackled the Labour boss head-on yesterday, by pledging to "harness the power of the market economy" instead

of “a discredited ideology that will never solve real-world problems”.

He insisted Tories must face up to the anger among many British workers, saying: “Too many feel they are working for the system, but the system isn’t working for them.



 Big tech giants such as Google would be forced to pay more tax in the UK under the proposals



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“So our challenge is to ensure 21st-century capitalism delivers for those people. It will be this technological transformation, and how we manage it — not Brexit — that will define the future of our country and our party.”

Mr Hammond added: “Show them that, crucially, the change that technology is driving will address their concerns, not make them worse.

“If we look for a moment like the party of “no change”, then we should not be surprised that some will be tempted by the dangerous populism of our opponents.”

Mr Hammond also answered the calls of big business who have been stung by PM Theresa May’s attack on excess profits and boardroom culture. [Tory donor and City billionaire Michael Spencer](#) said the party had “lost its way” on business, accusing the PM of “letting herself down”.

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But the Chancellor said: "Let me say it, loud and clear: the Conservative Party is, and always will be, the party of business. That means we listen to business." And in a change of tone on Brexit, a more positive Mr Hammond also predicted a "deal dividend" that could fund tax cuts and public service spending once a deal is reached.

He also said the Treasury was keeping sufficient "fiscal firepower" to hand to deal with any economic fallout from a No-Deal Brexit.

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