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1913
November
Previous Paper
3-1257

NAIROBI ELECTRICAL CONCESSION

States letter as to free importation of machinery for production of electric current in Nairobi. Submits arguments for free import. Returns Trinidad Petroleum Grace which appears to meet case of Way leaves satisfactorily.

Dr. J. Fildes

Att. to Dept. on $\frac{800}{37257}$

* J.R.

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Subsequent Paper

39993

30081/4

THE NAIROBI ELECTRIC POWER & LIGHTING COMPANY, LTD.

TELEGRAPHIC ADDRESSES
NAIROBI, NAIROBI, LONDON
NAIROBI, NAIROBI
TELEPHONE No. 4853-4854
S.E.C. CODE 274, Edition.



50, MARK LANE.

C O
37904
1913

LONDON, 1st November 1913.

305

Sir,

In the course of our discussion on Tuesday last, I promised Mr. Bottomley I would send him a copy of one of our letters, in particular, on the subject of free importation of machinery for the production of electric current, but I now find our copy is in our office files in Nairobi.

Sir Percy Girouard objected, I understand, to allowing all electrical machinery to be imported duty free, because such machinery was used for the production of current for two distinct purposes: (1) For power purposes, and (2) for lighting purposes. In regard to its use for power purposes, there was no question but that the machinery of production should not pay Customs Duty, but in regard to its use for lighting purposes, he held that as other illuminants had to pay Customs Duty on importation, therefore part of electric machinery should do so also, and in order to draw some rough and ready line, he decided that Ropes and Wires (i.e. Mains) should pay duty, and that other machinery should not.

I would, Sir, venture respectfully to submit that the basis on which Sir Percy founded his argument is incorrect, in that he compared the importation of a Plant whose function it is to manufacture or to produce electric current, with the importation of a manufactured product such as oil or calcium

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carbide, imported in its finished state.

To put such an argument on a correct basis, it should surely be, that if we import electric current as a finished product (as in dry batteries) in the same way as the importers of other illuminants import oil in tins or carbide in drums as finished products, it should then pay the same duty.

Would a Plant complete with all its accessories for the making of calcium carbide, which would include an engine to generate power, belts and shafting to transmit power, and machinery to treat the materials with, under the existing rules pay duty on all its component parts? Or would a Plant to operate an oil deposit pay Customs Duty on its machinery, piping, etc. which would be necessary to so treat and handle the raw material, as to render it fit for sale to the public?

I do not wish to ask for exceptional treatment of the electrical industry as against others, and if it is necessary for purposes of Revenue that industrial machinery of any kind should pay Customs Duty, if all be taxed it is up to us to pay our share, but what I do ask is that Plant for the production of electricity for lighting purposes, should not receive less favourable treatment than a Plant for production of oil, or carbide, or newspapers, or any of the many other articles the Plant for the manufacture or production of which is now allowed in duty free.

I enclose the Trinidad Petroleum Ordinance which you kindly lent me, which appears to meet the case of way leaves

satisfactorily.

I remain,

Yours faithfully,

W. C. C. [Signature]
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Managing Director

H. J. Read Esq.

The East African Department

The Colonial Office

S. W.