

from both Part² (2024/11/200) and
 4074/11/200) were
 given unpaid receipts for the total
 of 20,000 that plantation rubber had
 grown in a forest area should remain
 exempt. It was then held accordingly,
 but in the middle of 1912 (J. 25818) Uganda
 turned round and said that the rubber
 grown in a forest plantation should equally
 with ^{the} plantation rubber be exempt from
 duty. After careful consideration it was decided
 to do away with the distinction of plantation
 rubber and to impose on an export duty
 of 2 1/2% on all plantation rubber with
 effect from 1st January 1913, the matter being
 fully decided by the despatch to Uganda.

25818/13

The possibility that, as regards those
 lands which had been leased after the
 exemption from the
 10% duty, some provision and before the new
 duty of 2 1/2% was imposed - ^{the user} in the forest
 area plantation, with some small ^{land} - ^{was}
 duty would amount to a breach of the contract but
 some in mind, and the Government will wish
 to consult their Law Officers, particularly on
 this point.

We know that the R.O. in each case
 do not consider that any breach of
 the ^{6 months} Covenants and Uganda has ^{now} sent home
 a draft Customs Amendment Ordinance which
 provides a tax also for the new 2 1/2% rate.

E.A.P. however, do not propose to proceed with
 Session with the Bill. Time would be allowed for
 them interested in the rubber industry to
 make representations to the Governor.

The

J. 25818/13

London
 (April 11)
 67

The protest received so far from
 Uganda Planters Assoc (encl. in 14361)

- (1) Ex-port duty premature
- (2) Planters have protest signed up
 this plantation in Uganda in the
 belief that no export duty could be
 levied on plantation rubber.
- (3) No export duty should be charged till
 at least 100 tons of dry rubber have
 been exported.

The Governor makes no comment on these
 points except by general reference to
 25818/12, which dealt entirely with the
 more important of the treatment of
 rubber planted in forest areas; and
 he has no ref. as to the amount of
 planting which has been done since planting
 rubber was first permitted in 1910.

Dear (Brought On) (The Paper)

The very young firm dates, be taken
 to refer only to E.A.P. They may

- (1) Rubber duty is premature - the conditions
 are more difficult than with Straits - +
 the industry would be killed. No one is
 making a profit.
- (2) 2 1/2% duty per cent. instead of 10%, as in
 the Straits, could be difficult to work.

As to (2), I think the ref. must
 be to the F. M. S. as the Colony has no
 Customs tariff. In the F. M. S. the
 duty is 20% on rubber, and
 this alleged difficulty of working
 value breaks down. In the
 difficulty of any work have
 been found equally to exist in
 the case of wild rubber, which has

Manual
 of Statistics
 1912 - page 16

always been subject to an ad valorem
duty of 10%, and of which 5,588 cwt
were exported in 1910-11.

The proposal of 2% would be a matter
of great value from the Government,
with the express intention of putting
plantations in S. Africa on the an equal
footing with their competitor elsewhere.

There is reason why to suppose that
they could not compete... if the duty on
plantations in S. Africa only 2% ad
valorem the rate of duty is 10% (I
think with a 2581/12).
The Governor have advanced us
reason in the meantime.

As the E.A.P. Ord. will certainly be
held up and the Uganda Ord. is a
draft only, I think it will be best to
hold over the case of Uganda for the present
till the Govt. to omit matter from the
draft Ord. for the present?

And tell them to state that their
representations will be communicated
to the Govt. of the E.A.P. for his attention
but that they it would appear from
the local press that reaction is being
taken by the Legislative Council. This
should draw attention to the
fact that the Govt. is not to be
held liable.

And send copy to E.A.P. asking for
a report on the whole question with

25818/12

see marked form
as print of draft
Uganda Govt. Ord.
on 25818

essential reference to the effect of the
industry - accordingly it is for the
Govt. had no intention of placing
plantations in a worse position than
their competitors but that such considerations
as inferior value of rubber ^{might} ~~should~~
be allowed for automatically ^{in the}
ad valorem system.

W.S.D. 12.5.13

See also Govt. 4261/13 Uganda

H. J. R.

12/5/13

12/5/13

off at once

14.5.13

16709

5, Fenchurch Street, C.O.

16709

99 London, E.C. 30th April, 1913

Perf. 1 MAY 13

STEAD, BROS.
TELEPHONE NO. 5910 AVENUE
TELEGRAMS ADDRESS
"MYBER GRACE"
LONDON

The Secretary of State for the Colonies,
Colonial Office,
Whitehall, S.W.

Dear Sir,

We are interested as shareholders, and agents for rubber estates in East Africa, and we hear by the mail on the 7th April that it is proposed by Government to impose export duty of 2 1/2% on rubber, and we desire to join with other in protesting most strongly against such a tax.

The rubber industry in East Africa is on an entirely different footing to that on which it stands in the Straits settlements; the rubber grown is not so valuable, and the amount it has hitherto been found possible to procure per acre is practically infinitesimal. A large amount of money has been invested in rubber estates in East Africa, and up to date we believe none of the plantations are working at a profit, and the imposition of such a tax would we expect, rapidly kill the industry.

Moreover with a tax at so much per cent, instead of so much per pound of rubber, as it is in the Straits, all sorts of disputes must arise as to the value of the rubber shipped, and there would be no possible means of arranging for valuations by officials competent to undertake the task, and as far as we can see the work would have to be left for the most part to native assistants with

-200377-20

the usual results.

We are, Dear Sir,

etc

Yours faithfully,

Ernest S. ...

14/5/13

Genl. B. 14709 / East Africa

419

C. P. 14709

198

(Conf.)

May 1913

Sir, with ref to your conf. slip No 10 of (2976) the 10th of January* I have etc to transmit

DRAFT.

C. P. 14709
W. C. Balfour Esq

MINUTE

- Mr. Duggan 14/5/13
- Mr. Balfour 14/5/13
- Sir G. Fiddes 15/5
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

These 15 Balfour Esq 30 R.A.P. 14709

* No 392
+ No 14709

copy for neg. conf. 14709

to you for your info. observe
the accompanying copy of a
letter received from Messrs
Boulton Bros. submit-
ting a protest against
the proposed imposition
of a 2 1/2 % duty on
rubber exported from
the E. A. P. to gether with a
copy of the letter which has been
sent to the Com. of the C. of S.
I should be glad

to receive a report on
the general merits of the
proposed question of
import duty on the proposed duty
the export tax on rubber
in the proposed legislation
to the effect of such a
tax on the rubber industry

to be transmitted to
the Com. of the C. of S.
18396
2000
2000

I would detach the
 Department of ^{domestic and that a major department was}
 Agriculture ^{acting for of Agriculture, Federal}
 that I had no intention ^{to S.A.P.}
 of placing plants from a
 worm for her than the

Competition. ^{but that said to suppose that the intention}
 of a ^{to the duty, or in the}
 Consideration ^{as to the}
 value of ^{the duty, or in the}
 be allowed in auto-
 matically under an
 advisory system.

I have etc

* No.

14709
 14709/ East Afr. Prot.
 B

DRAFT.

Bonthead Bro.

MINUTE.

- Mr. Donner 14.5.13
- Mr. B. K. 14.5.13
- Mr. G. Fildes 15
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

16/7
 in com.

Reps: attempt to re-
 leasing son as to aft.
 end of 1436.

* No. 14709

14709

-20039-20

998
 16 May 1913
 Gentlemen.

I am etc to ack. the
 receipt of your letter of the
 30th of April ¹⁹¹³ submitting a
 protest against the proposed
 imposition of a 2½% ^{duty} ~~export~~
 on rubber exported from
 the East Africa Protectorate
 and in your letter
 of your representation
 will be communicated to
 the Gov for his observations
 but that it would appear
 2 in the meantime it
 would appear to I am
 to state that
 from according to the
 that no action is being taken
 in the matter by the
 Legislative Council the
 session.

17/5/13
 16/7
 14709
 14709/ East Afr. Prot.
 B

It will be seen that the
difficulty which you
mention is involved
by the imposition of a
tax of so much percent,
instead of so much per
pound. I am to point
out that the duty on
exported rubber in the F.M.S.
is at the rate of $2\frac{1}{2}\%$ ad
valorem, ~~and under an ad valorem system~~
~~the~~
~~alleged difficulty does not~~
arise. I am to observe
further that the difficulty
if any, would have been
found equally to exist
in the case of gutta rubber
~~in the S.P.~~
which has always been
subject to an ad valorem
duty of 1.0% on import from
the S.P.

I am