

E. AFRICA

35536

REC'D
JUL 16 1917

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202

War

1917

14 July

Last previous Paper.

Adm

33417
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CUSTOMS DUES ON LOCAL PURCHASES OF STORES FOR FORCES

This copy letter to Treasury respecting proposed credit to Common Charges in respect of.

Mr. Butler.

If we leave this alone we shall be taken to be content to leave the matter to Treasury decision, & I submit draft.

A possible point to make is that the military have had the convenience of local purchase & the civil population (& administration) the inconvenience of them & that it is not reasonable that the form at the expense of the latter, should be the benefit of the same economy which they would have secured by direct import but this raises at once the question as to for the goods locally purchased have been replaced by duty dutiable imports & I would leave it alone. L.C.S. 18/17
JUL 16 1917

To Treasury 20 July 1917

Last subsequent Paper.

405
38505
38505

Further communication on this
should be addressed to—

The Secretary,
War Office,
London, S.W.,

Following number quoted.

WAR OFFICE,

293

LONDON, S.W.,

35536

REC^d & 11/4
REG^d 16 JUL 17

11/4th July 1917.

165/8134 (F.A.A.)

The Secretary of the War Office presents his compliments
to *the Under Secretary of State, Colonial Office,*
and is commanded by the Army Council to transmit for the
information of *the Secretary of State,*
a copy of the document noted in the subjoined schedule on
the subject of *Customs duties in East Africa.*

Date	From	Description.
17	War Office to Treasury	<p>_____</p> <p>(Vide War Office letter of 9/7/17 No. 33417/17)</p>

P.I.A.]

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/4 July 1917.

Sir,

I am commanded by the Army Council to request you to submit, for the decision of the Lords Commissioners of His Majesty's Treasury, the question raised in the enclosed correspondence regarding customs duties in East Africa.

Customs duty is not levied on stores imported for the East African Force, on stores imported for messes and canteens, nor on gifts sent from overseas for the troops, and in January of this year the Council suggested to the Colonial Office that it would be reasonable to expect that the Governments of the East Africa, Uganda and Nyasaland Protectorates and the civil administration of the occupied portion of German East Africa should credit the Common Charge Account (the total of which is debited for the time being to Army Funds) with a rebate equal to the duty paid on all goods purchased locally for the Force. The same question was raised independently a little later by the General Officer Commanding the East African Force.

The principle of this proposal seems to me to be obviously sound, and their Lordships will doubt agree that it is untouched by the criticisms offered in paragraphs 2 and 3 of the despatch of 30th March 1917 from the Governor of the East Africa Protectorate. As regards paragraph 4 of that despatch, I am to observe that if suggested credit is not given to the Common Charges, the net amount of that account (the bulk of which will form a final charge against Army Funds) will clearly be increased pro tanto.

The only considerations which can justly be urged against the proposal appear to be those based on the extent of accounting labour that would be involved to give effect to it. To make a detailed investigation into the credit that would be due from the beginning of the war would no doubt involve a disproportionate amount of labour, but the Council do not gather that this argument is urged against the grant of a rebate on future purchases. If it is decided that the rebate should be given for the future, the credit for the past transactions might be arrived at by agreement between the Protectorate authorities and the General Officer Commanding-in-Chief,

If

The Secretary,
The Treasury.

If Their Lordships decide that, at this date, it is not worth while to make any change in the existing procedure, the fact should be borne in mind when the total of the Common Charges Account comes to be divided between the Imperial and Protectorate Governments.

A copy of this letter has been sent to the Colonial Office.

I am,
Sir,
Your obedient servant,

Sd B. B. Lubitt.

W.O. S. Africa

35536

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[Handwritten signature]

20 July 1917

A 2d 44030

Sir,

I am re. to request you to
 info the L.C. of the Treasury
 that he has received a copy
 of this letter ^{W.O.} ⁷⁹ 0165/8134 (71A),
 of the 14th of July, ~~sent to you~~
 addressed to the Treasury
 from the ~~Secy.~~ on the subject of
 the proposal that the Post^{Office} in
 Eastern Africa should refer
 to the Customs Charges Account a
 rebate equal to the duty paid
 on all goods purchased locally
 for the military ~~troops~~ forces.
 I, Sir, have no objection to
 the suggestion ^{made by} ~~submitted~~ of the
 W.O. letter, ~~that the matter~~
 should be borne in mind when
 the total of the Customs
 Charges Account comes to be
 decided, but he desires to
 guard himself from
 appearing to admit, etc.

DRAFT.

The Secretary
Treasury

MINUTE.

- Mr. Protheroe 18/7/17
- Mr. Butler 18
- Mr.
- Mr. Grindle.
- Mr. Lambert.
- Mr. Reid. 18
- Sir G. Fiddes.
- Mr. Steel Maitland.
- Mr. Long.

[Handwritten signature]

In connexion with that ultimate
division of the war, the one
that the principle underlying
the proposal for a rebate is sound.

3. The proposal is justified ^{from the economic}
~~point of view~~ of the East of the
Union of South Africa because to

equivalent a rebate, but the
South African tariff law,
^{however,} already provided for a
refund of duty in the case of
goods locally purchased for
the Imperial Govt. No
similar provision exists
in the tariff laws of the Protectorate,
^{concerns} and, so far as ^{the E.A.P.}
for the finances of which he is
responsible, his hon. would
have the greatest reluctance
to impose on the
Protectorate a liability which
would be in effect a forced
contribution towards the cost of
the war over and above all the
military expenditure which
~~has already been~~
will ultimately have to be borne
by the ^{g. p. l. c.} funds
~~of the Protectorate~~
unavoidable that

remit import duties on
articles purchased in South
Africa for the Union or Protectorate
at the cost of Army funds