

## THOMSON-HOUSTON INTERNATIONAL ELECTRIC CO. CASE

PAÚL, *Commissioner* (for the Commission):

This company, as claimant, presents itself to this Commission, pretending that the Government of Venezuela should be made directly responsible for the payment of the balance of a credit against the municipality of the city of Valencia, amounting to 48,005.28 bolivars up to May 30, of this year, for the service of public electric lighting for previous years and continued up to date by said company, under its contract.

Among the documents presented there is a copy of the original contract between the national executive and Miguel J. Dooley, dated September 21, 1887, granting to the latter, for the term of 25 years, the exclusive right to establish in the territory of the Republic the electric-light system, the grantee having to make special arrangements with the different municipalities for the establishment of the electric lighting in their respective localities.

From the copies of divers arrangements made with the municipal board of Valencia, annexed to the memorial, it appears that said corporation acknowledges as correct the balance due to the company, presented for collection, and

found, in accordance with the corporation's books, said corporation claiming at the same time that the company owed, on its side, up to June 26, 1902, the sum of 2,333.35 bolivars for municipal taxes of 1,000 bolivars per annum levied by said corporation on the electric light company, from October 15, 1901. The Thomson-Houston International Electric Company denies to the municipality of Valencia the right to levy an annual tax for the exercise of their industry, basing their arguments on the terms of the original grant of the national government, that in article 4 it states that the said industry would be exempt of the payment of any national, state, or municipal taxes.

The account kept by said company with the municipality of Valencia, up to May 31, 1903, has been presented to this Commission. and said account shows that the company has been receiving lately (in the months of February, March, April and May) cash payments on account amounting to 21,280 bolivars, and the company from the month of March reestablished the public lighting service of 50 arc lights that had been suspended from June, 1902, until February, 1903. This circumstance proves that the business relations between the Thomson-Houston International Electric Company and the municipality of Valencia were in activity by a mutual agreement, and it can not be understood why said company pretends to claim from the national government the payment of the balance of a current account kept with a municipality of one of the federal states whilst the interested parties kept in activity the credit and debit of their account.

This Commission ought to dismiss this claim for lack of jurisdiction, without prejudice to the claimant.

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