278-000

Same period shipped to Austria 40,000

" " " Russia 20,000

Total for the Season 338.000 boxes

Average market price $1.25 per box

For the present season, since the first of October, there have been 62,000 boxes.

This years crop is 25 per cent shorter than that of last year and the exports for this season, 1898–1899 will be, it is estimated, 200,000 to 250,000 boxes

Each box of oranges contains 150 to 160 oranges

I wish credit for this report to be given to Mr. Hardegg our efficient Consular Agent at Jaffa

Respectfully

Your obedient Servant

(Signed) Selah Merrill

cc No 10

United States Consulate

Jerusalem, Syria, Dec. 3, 1898

Hon. Thomas W. Cridler

Assistant Secretary

Washington, D.C.

Sir

The question proposed by you in your despatch No 11, dated November 9, 1898, has been asked repeatedly during the past twenty five years and each time this Consulate has responded in the fullest manner, both the interrogatories and the replies are on file in the State and Treasury Departments at Washington. The monetary conditions existing in Jerusalem have been explained to the Department and each time the explanation has been accepted as just and satisfactory.

The simple fact is that the United States dollar is worth in Jerusalem, when it reaches the hands of the Consul or of any of the employees of the Consulate, about ninety four cents. But the Government is bound and intends to put into his hands, – and has always done so –, a good dollar worth to him one hundred cents.

In answer to your suggestion that I "inquire at different

banks to ascertain if more favorable terms could not be obtained" I would say that, as I have always in mind the interests of the Government, I have done this thoroughly and exhaustively. By special arrangement with our banker I have had, during the past summer, the rate of exchange reduced from seven to six percent, which I duly reported to the Department.

I will say incidentally that besides our banker there are but two other banks in Jerusalem, except two or three private Jewish bankers or money changers. The banks do not create the monetary conditions existing here, – they submit to them as does everybody else.

The matter of loss by exchange I have worked out carefully and submitted the results. – chiefly because our Consul General seemed to doubt their correctness, – to the English Consul who has lived in the Country since 1875 and been Consul in Jerusalem since 1891, to the President of the Credit Lyonnais Bank, to the President of the Deutsche Palaestina Bank, and to our Vice Consul who has been in business here for twenty years past, and they all testify that the figures are absolutely correct, and that the charge of six per cent loss by exchange is, in the monetary conditions existing in Jerusalem perfectly just.

Your reference to "one Consulate where the loss by exchange has been reduced from ten to one percent" cannot effect conditions in Jerusalem. There may be places where a Consular draft commands a large premium; but were such the fact, it could not affect conditions here. I do not pass judgment upon the conditions existing at the post referred to, nor upon the monetary conditions existing in Constantinople, or anywhere else; it would be wrong for me to do so; I should thus be interfering with matters beyond my jurisdiction; I simply state the facts with regard to the monetary conditions existing in Jerusalem. That these conditions oblige this Consulate to charge six percent for loss by exchange is a matter beyond my control, and that the charge of six percent for loss by exchange is perfectly just every business man in this city will testify.

The uniform attitude of the Department towards the Consulate in Jerusalem where special monetary conditions exist, where the Turkish lira is not used as a basis in any business transaction, where in fact it is rarely seen is well expressed it seems to me in the Department Circular of Aug. 20, 1888 entitled "Rendering Accounts When Foreign Currency Is Employed", page 6, in the following language; – Consular

"officers cannot lawfully insist upon a basis which gives them a profit, nor do the accounting officers insist upon a basis which requires the [consular] officers to bear a loss from their private means.

I remain respectfully

Your obedient servant

Signed Selah Merrill