

Copy
Jerusalem 8th July 1843

No 25 Sir

I have the honor to acknowledge the receipt of Your despatch No 13 transmitting to me a copy of a Circular with a Series of "Questions" from the Foreign Office respecting the working of the British and Russian Tariffs at present in operation in this Country.

In conformity with Your request I have the honor to transmit to You my report and information on this subject, and also my reply to the list of "Questions", with a Copy of a letter which I had the honor to address to Lord Ponsouby on this subject on the 4th August 1841.

I have written to M. Malagani the British Consular Agent at Caffa to beg to have his Report on the "Questions", but I have not yet received his reply.

It can scarcely be considered that there are any British Merchants residing

Colonel Ross C.B.
Her Majesty's Consul General

Transmitted by post
Agent on the British and
Russian Tariffs made to
Her Majesty's Consul General
in Cyprus

Maid 1 Aug 13th
by Sir Thomas

at 9/13.

Consul General

residing within the limits of this Consulate
whose Commercial operations are of suf-
ficient importance to be directly or materially
affected by the Duties specified in the Tariff -
as the Imports from Europe are made
through Brabant, when the Duties are
paid, and the Exports are chiefly made
for Foreign Account. So that I will beg
leave to proceed to offer a few observations
which occur to me as bearing either
directly or indirectly on the matter.

When the Commercial Convention
of 1838 was first published in this
District, it caused considerable im-
pression amongst those whose interests
were affected by it. The object of the
Communitation Duties of 9% and 2%
was not appreciated until the Tariff
went into operation. And until parties
had had some experience in its working
it was difficult for them to judge how far
the arrangements would be beneficial or
injurious

injurious to their Interests.

As soon however as it was known that
Rupia had not come into the Treaty, but
would adhere to the old Tariff, there was
no longer any doubt but that the new
Convention must prove seriously de-
-timental to the Interests of those who
were bound by it, and which I would
submit has been subsequently borne
out by experience. For the Rupian
Flag has been able for the past two
Years, to afford superior and exclusive
Commercial advantages to its Sub-
-jects and Proteges - and instances may
be given, when parties in this District
have quitted the Protection and
-jurisdiction of their own Flag for that
of Rupia, with a view to avail them-
-selves of those advantages.

The Treaty appears to be highly advan-
-talous to Turkey, because it enables
the Government materially to reduce
and

and simplify that Branch of the Public Service which is required to collect the Revenue; the amount received for duties being now paid by a fixed impost, directly into the Treasury, instead of, as heretofore, through the medium of an interminable train of Provincial and Subordinate Officers.

It was probably considered that the adoption of the plan of Commutation duties, instead of the vexatious system of having to pay arbitrary duties in every Town and Province through which the Merchandise might pass, would prove generally beneficial to the Commercial Interests of the Country; and that it would define at once the real value of each article of Commerce and enable the Merchant to buy and sell at more settled and steady prices. And considering the vexatious and arbitrary way in which the duties had hitherto been levied - that on the whole the fixed rates of 9%

9% and 2% Commutation duty would enable the Merchant to ship his Exports, and to sell his Imports, on better terms than before - the Commutation duties not amounting to as much as the irregular mode of levying duties had hitherto done.

Provided the Convention could have fair course, untroubled by Government interference - the terms on which it is based, appear to be favorable to the European Trader - though for Produce, which in Syria is of an inferior quality, it is rather discouraging to the Producer, who is without Capital to enable him to improve the quality of his Merchandise - It is however, primarily essential, that the European Merchants and Protégés should all be placed on precisely the same footing, otherwise, when there is an advantage conceded in favor of our Nation - it would not only give that favored Nation superior Privileges

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Privilege in a Commercial point of view -
but it would probably lead also, in the
end, to exclusive Political advantages -
especially in respect to Russia - in con-
sequence of much of the Commerce in
the Levant, being in the hands of the Greeks,
and others, over whom she has influence,
and who could without much difficulty
take advantage of Russian Protection
to the injury of the Common Trade of
Europe in the Levant -

The facility with which
Russian Trade with Turkey may be con-
ducted, owing to the immediate con-
tact of the Territories of the two States, is
an advantage in favor of Russia, which
may also be worthy of consideration -

Several attempts have been made in
this District to enforce the payment of
the Commutation Duties in regard to
Produce purchased for Russian account,
but it has been successfully resisted
by the Russian Consul - except in one
instance

instance, when the Goods were seized by
the Merchants for immediate shipments.

In this case, the Goods were detained by
the Turkish Authorities - and the amount
of duty demanded, was finally furnished
by the Merchants to the Turkish Proconsul,
in order to enable him to release the Goods,
rather than the Russian Consuls should
be compromised by a precedent -

Should Her Majesty's Government
claim the benefit of the first article of the
Convention, and insist upon British
Merchants being placed on the same
footing with Russian Merchants, it is
probable that difficulties would arise, as
the Turkish Authorities would doubtless
contend for the Commutation Duties as
they have done with regard to the
Russian Merchants - Failing to
obtain them, they would consider them-
selves justified in returning to the old
system, & making the best arrangement
they could, regardless of the Convention,
and

and when it appeared to them to be ad-
-vantageous, they would return to Arbitrary
-Justice, and restore Monopoly as of old,
without any regard to Treaty - But at all
events, the advantage of being once more
on an equal footing with Russian -
-Merchants, seems to be of the first impor-

-tance. I would venture to add, as an humble
opinion, that the Trade of Egypt cannot
advance to any important extent, until
there shall be a Government established,
in which the bulk of the people have con-
-fidence - and until encouragement is
-given for the safe employment of European
-Capital - The Supreme Government
must be prepared to deal firmly, with
-old Prejudices - making a distinction
-between what is really necessary and
-advantageous for the Country, and that
-which is only the result of groundless
-Fear and Bigotry. I expect to have

to report to you, that there is a growing dis-
-position on the part of the studious
-population of this District - and which
-seems rather to be encouraged than other-
-wise, by the local Authorities, - to return to
-those ancient prejudices which must wor-
-rison an insurmountable barrier to all
-real and substantial improvement -

If the Porte could be persuaded to relax
-those stringent Laws, which render it
-next to impossible for Europeans to employ
-their Capital to any advantage in the
-Country - I cannot but think that ad-
-vantages, both directly and indirectly,
-would accrue to the State, and great
-improvement take place in every direc-
-tion - By encouraging Europeans to settle
-in the Country, and to cultivate the land,
-the way might be prepared, to a closer
-and safer state of relationship with
-Europe - but if an attempt is made to
-check the melting tide from the West
-which

which must inevitably flow onward - by
returning to the rigid observance of
Mosaic Law, in matters, which in
reality, concede her civil more than
her religious institutions. The Porte
will forfeit the best sympathies of Europe,
which have lately been so much enlisted
in her favor - and gather about her, a
power, which if brought into active op-
position, against her, may give course
to a combination of events, which no
circumstances will be able to control,
until she have irreparably endangered
her Political and Commercial Exis-
-tence. Should British Commerce prove
to be on a disadvantageous footing, as
compared with Russia - Great Britain
I should humbly suggest - would lose
the only substantial interest which
she at present has in the Country -
not so were the case to be true with
Russia. She has a still more substantial
interest

interest in Palestine, than her Commercial
Relations with it afford her. She is building
up her Church here, by a well organized
System of Government arrangement, which
cannot fail, under Providence, to become
to her, a firm and solid basis of future
advantage. If therefore Turkey could be
induced to see her interest in giving
encouragement to the useful employ-
-ment of British Capital in this Country,
by permitting British Subjects, as dis-
-posed, to cultivate land. It might ulti-
-mately prove a countervailing Influence
to Russian Measures, no less advantageous
to Turkey than to Great Britain.

I have the honor to be

Sir

Your Most obedient

Remoth Servant

Wm. G. G. G.

Answers to Questions respecting the Working of the British and Russian Tariffs -

No 1 The Russian Merchants of this district do not pay on Merchandise imported or Exported by them any Duties beyond such as are specified in the Russian Tariff - the Maximum of which is at the rate of 3% ad-Valorem -

No 2 - The Russian Merchant may be considered to reap all the advantage which arises from the low rate of duty which he pays compared with the British Merchant, because the Turkish Merchant purchasing from the Russian Merchant - although the Importer has not paid the Commutation duty of 2% - pays no internal duties - but is equally exempt as though he had purchased his goods of a British Merchant who has paid the Commutation duty of 2% - The same is the case in regard to the purchasing of Produce - The Producer selling to the Russian Merchant obtains no higher price for his Produce than he would do if he sold it to a British Merchant, although he pays no additional internal duties. does

Answers to Questions respecting the Working of the British and Russian Tariffs

Answers in Council
Young's Digests No 13
dated 10 Aug 1843

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does the Russian Merchant pay the Com-
mutation duty of 9%.

No 3. When the Purchaser of European
Goods has a receipt, showing that the Goods
have once paid the full amount of duty, no
additional internal duties are levied by the
Turkish Government. This sometimes is
mandated by the Collectors of the Revenue,
and no doubt it would be taken where it
could be obtained. But I know of no
instances in this District in which it has
been paid. And likewise with Produce
which is sold for exportation where the
9% Commutation duty is once paid no
further duties are levied.

No 4. As the Russian Merchant pays
no Commutation duties, and as he buys
and sells on as favorable terms as the
British Merchant, the disadvantages of
the latter are of course very considerable.

No 5. With regard to British Produce and
Manufactures, they enter this District
almost entirely through the Port of
Brisant. Consequently the Import duties

are

are paid there, and the Merchandise is
brought along the Coast in Native Crafts,
provided with a rafters, which passes it
free of duty through the various local
Custom Houses.

There is comparatively but little Produce
sent out of this District for English Account,
In a general way the Produce is not care-
fully enough prepared to suit the English
Market. It is taken chiefly for Continental
Account, and is shipped to Marseilles,
Lepore, or Trieste. It is however a general
complaint made by all who are not
trading under the Russian Flag, that they
are trading under a disadvantage -
because for example. Produce shipped
under the Russian Flag, and under other
Flags frequently goes in the same bottoms,
and arriving at its destination, an im-
portant advantage appears in favor of the
former, by the difference of Commutation
Duty which it has not paid, while the
latter having paid the Commutation
Duty, enters the Market at all the
disadvantage

of a difference of cost by 9% -
If the Produce of this Country were to
improve in quality so as to suit the
English Market the same disadvantage
would tell equally against the British
Merchant.

No 6 I am not sure that I take this
Query in its full meaning - But it
seems to me that the British Merchant
who is at present engaged in fair trade
in this Country is exposed in his com-
petition with the Russian Merchant,
to nearly all the disadvantages of com-
petition with smuggling Trade -

No 7 It appears to me that whatever
Course would place all European
Merchants, who are engaged in Com-
merce with this Country, on an equal
footing - would be the most advantageous
one to adopt in behalf of British Com-
merce; Because British Capital and
Machinery yield an advantage in favor
of the British Trader that requires only a
fair

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fair field to give him the lead in the
Market.

Remark

It is right to observe that where
the transaction is of importance - the
full amount of Commutation Duty is
seldom paid by the Merchant - but it
is compounded for with the Farmer of
the Customs -

Copy Jerusalem 16 August 1823

Ms 20

My Lord

By a communication which I have just received from Caiffa I find that Shipments of Produce are being made from that Port under Certificates from the Russian Consulate at Beirut. This may be the Bonafide Property of Russian Subjects - but at the same time I would respectfully submit, that so long as European Subjects are not allowed an equal footing in respect to their Commercial Privileges, whether Certificates may not be obtained for Property which is not really Russian; independently of Russian Subjects having an undue advantage over the Subjects of other Powers in making their Shipments at a reduced rate of duty,

I have the honor to be

My Lord

Your Lordship's

Most Obedient

Scunthwaite

Wm. Young

To Her Majesty
The Right Honourable
Viscount Conyngham

Account for 1st Count
Young's dispatch for 25th
of the 1st of August 1823
1823

Account of the Russian
Russian Consulate -