

## PROTOCOL No. 9.

MEETING OF MAY 4, 1882.

Present:

For Japan:  
Mr. Shioda;

For Austria Hungary:  
The Chevalier Hoffer von Hoffenfels;

For Belgium:  
Mr. Scribe;

For France:  
Mr. Tony Conte;

For Germany and Switzerland:  
Mr. von Eisendecker, and as second delegate for Germany, Mr. Zappe;

For Great Britain:  
Sir Harry S. Parkes;

For Italy:  
The Chevalier E. Martin Lanciare; ;

For the Netherlands, for Sweden and Norway and for Denmark:  
Mr. van der Pot;

For Russia:  
Baron Rosen;

For Spain:  
The Chevalier Don Luis del Castillo y Trigueros;

For the United States:  
The Honourable John A. Bingham.

Protocol No. 8 was read and signed.

According to the order of the day, the consideration of Group VIII. "Lighthouses, Harbour and Shipping Dues" was continued.

Sir Harry Parkes, in submitting the following observations to the Conference wished in the first place to state that he entirely concurred in the justice of the demand of the Japanese Government to collect such a revenue from light dues as would meet the cost of the maintenance of the lights with which the coast of Japan was furnished. He had taken a great interest in the establishment of those lights from the date of their commencement, and in the earlier stages of construction and organization his Government had been able to render useful assistance to that of

Japan. It would not be supposed therefore that in offering some objections to the details of the Japanese proposals he wished to oppose the equitable principle upon which those proposals were based, and which he understood to be that the shipping which benefited by the lights should pay for the cost of their maintenance.

It would be seen from the tables laid before the Conference by the Japanese Government that they proposed to levy a rate of 40 *sen* per ton on Mail Steamers and a rate of 50 *sen* per ton on all other vessels engaged in foreign trade and entering the open ports of Japan, the said rates to be payable once in four months. If all the vessels subject to those rates made frequent use of the open ports the proposed tax might be said to be fairly distributed, but he understood from Table F that it was intended to make those vessels which entered only once in the course of a year pay even more highly than those vessels which were continually running between the open ports for a period of four months. Now a vessel entering a single port in Japan from over-sea, once only in the year, would pass but a few lights—say six on entering and leaving Nagasaki, six on entering and leaving Kôbe, and twelve on entering and leaving Yokohama; while those vessels named in Table F as Mail Steamers would in the course of four months pass the coast and port lights on their respective routes some upwards of thirty times, some upwards of eighty times and some upwards of a hundred and fifty times. It would seem only just therefore that the former class of vessel should pay less than the latter, or in other words that the amount of the due should bear some proportion to the degree of benefit derived from the lights. It would appear however from Table F that the rates therein named had been arranged upon quite the opposite principle, and that it was proposed to tax the tonnage which benefited least by the lights far more heavily than the tonnage which made the most use of them. This would appear from the following figures which were taken from Table F.

Total Tonnage entered during fiscal year ended June 30, 1881, ... 668,636 tons,  
Total proposed Dues ..... 158,888 yen.

	Tons.	Proposed dues. yen	Rate per ton. sen
1. On Mail Tonnage of .....	329,896	40,096	12.15
2. On Vessels entering more than once in the year...	192,843	45,844	23.77
3. On Vessels entering only once in the year.....	145,897	72,948	50.00
Totals .....	668,636	158,888	

Thus it was proposed that the vessels which profited most by the lights, and were continually running between the open ports, should pay the lowest rate—that those which profited by them in a less degree should pay twice as much in proportion as the former, and that those vessels which profited by the lights least—and only to the extent of using them in entering a single Japanese port once in a year—should pay a rate four times as high as that proposed for the vessels which made the most frequent use of the lights.

The tonnage which profited least by the lights amounted to less than a fourth of the whole, but the dues to be charged on it would amount to nearly as much as the dues proposed on the remaining tonnage, which exceeded three fourths of the whole.

In Great Britain light dues were levied according to the number of lighthouses passed. He did not propose that this rule should be adopted by the Japanese Government as they might find it difficult to make the necessary calculation in the case of each vessel, but he maintained that the amount of revenue which the Japanese Government desired to collect might be distributed in fairer proportions than those proposed, and he thought that the rate on vessels entering only once in the year should not be more than half the rate payable once in four months by those vessels which were frequently entering the ports.

He also thought that Japanese vessels running between the open ports and which benefited by the lighthouse system to a greater extent even than the tonnage engaged in the foreign trade should also contribute to the maintenance of the lights. Those vessels ran not only between the ports open to foreign trade, but also to all other Japanese ports. Their number was given in the Custom House Returns for the Fiscal year ended June 30, 1881 at 264 steamers of 381,240 tons and one sailing vessel of 443 tons. But no account seemed to have been taken of these vessels in Table F, which was probably an oversight, as he presumed that the Japanese Government did not propose that these vessels should have the gratuitous use of all the lights both at the open ports and at the non opened ports at the expense of the vessels engaged in the foreign trade, or that the latter should be charged with the maintenance of lights at non opened ports from the use of which they were expressly excluded.

Mr. Shioda having drawn a comparison at the last meeting between the English Light and Harbour Dues and those proposed to be levied by Japan—in support of which he cited the port of Liverpool, where a due of sixty cents per ton he said was charged, Sir Harry Parkes begged to point out that the comparison was imperfect, because the English charge referred to embraced other dues besides Light Dues, and he understood that the rates which the Conference were now discussing referred only to the latter.

In Great Britain the rate of Light Dues varied greatly on each vessel and at each port according to the number of lighthouses which the vessel passed—in some cases the rate was only a cent a ton—and the highest, according to the official Tables which he produced, was actually less than twenty cents. These rates, which were levied on British and foreign vessels alike, were subject to constant revision and abatement and confined within the amount which was found sufficient for the maintenance of the lights.

In the case of Liverpool the port-charges on vessels arriving from Asia or America were at present 1s. 11½d per ton, or say about fifty cents; but besides Lighthouse Dues these charges included Dock, Harbour, Wharf and Lifeboat rates, the Light Dues being actually a little less than 3d. or say six cents per ton.

He begged to repeat that it would be found difficult in practice to draw a distinction between Mail Tonnage and other Tonnage as any vessel conveying a mail could claim the privileges which it was proposed to confer on Mail ships. He also thought that if the latter were to be privileged on account of the benefit of the postal service which they rendered to the public, the cost of that privilege should be borne by the public or by the Government which benefited by it and should not be compulsorily defrayed by an additional tax levied on the vessels which were not.

so privileged. The rate proposed on vessels entering a Japanese port only a single time was, he thought, unduly high. He feared it would have the effect of deterring those steam-vessels which now came to Japan either to coal, or to seek freight, or to deliver a portion of freight on their way to China from coming at all. Many of the vessels which entered only once in the course of the year were ships of this description, and it would be seen from Table F that vessels entering only once in the course of the year numbered no less than 179 out of the total number of 264 vessels engaged in the foreign trade of Japan. Any material falling-off in the number of vessels of single entry would therefore seriously affect the Tonnage revenue.

He submitted that all dues on Tonnage should be levied in such a mode as would serve rather to attract than to repel shipping from Japanese ports, and the difficulty of obtaining full freights in those ports, as compared with the ease with which such freights could be obtained in China, was an element which should not be lost sight of in the calculation.

Mr. Bingham remarked that he was surprised to find the question of Light-houses dues brought up on the present occasion, when he had understood the order of the day to be the Tariff. The suggestion made by Sir Harry Parkes was so entirely new to him that he would like to see it reduced to writing before giving any opinion upon it. At the same time he was disposed to accept the principle of equality for all vessels. The coast of Japan was small in extent, the foreign commerce limited, and the whole question of Light and Tonnage dues was comparatively unimportant. He held that the Japanese Government had the right of imposing such tonnage dues as it might judge expedient, and that no foreign Power was entitled to inquire as to the purposes to which the funds so obtained were to be applied. It was a matter which every independent nation could justly decide for itself. At the same time if the Japanese Government chose to accept any of the modifications proposed by Sir Harry Parkes, he would offer no objection, though before expressing an opinion on the merits of the new scheme, he would desire to have an opportunity of considering it on paper. With regard to the objection urged by Sir Harry Parkes, that the vessels engaged in the foreign trade ought not to pay for the advantages enjoyed by the coasting ships, he thought that no foreign Power could question the right of the Japanese Government to regulate the dues on their own coasting trade as might appear advisable in their sole opinion, and he begged to call the attention of the Conference to the fact that the proposals submitted by the Japanese Government alone concerned the dues payable by foreign-going vessels.

The Japanese Delegate begged to support the suggestion that Sir Harry Parkes should give his views in writing. He fully understood the difficulty of distinguishing between Mail Steamers and ordinary vessels, and admitted the justice of equalizing the incidence of the dues upon all vessels. An attempt had been made to estimate the dues upon the principle adopted by Great Britain in calculating the dues according to the number of lights used, but it had been found to be a somewhat complicated process, and difficult of application. It would necessitate, moreover, collecting the dues upon each entry, and in order to avoid the inconvenience which would thus be caused, the simpler arrangement of levying them once in

four months had been adopted. The ground upon which an abatement of 10 *sen* per ton had been made in favour of Mail Steamers, was that the latter would become liable to the payment of dues much oftener than other vessels, and it appeared fair to lower the rate in their favour. At the same time he attached no great importance to the retention of the difference between Mail Steamers and ordinary vessels, and he saw no objection to modifying his original proposal if it should be found necessary, and provided that the dues collected were sufficient to defray the cost of maintaining the lights. He considered that a rate lower than that levied in China would have the natural effect of attracting shipping from the latter country.

The Chargé d'Affaires of France likewise accepted the principle of an augmentation of the light and tonnage dues. He desired to remark that the Japanese Government in consideration of the exceptional services performed by Mail Steamers, had been the first to recognize the justice of according to such vessels privileged treatment, namely by imposing a lower rate of dues upon them than upon other vessels. This privilege appeared moreover justified by the fact, that it amounted simply to a compensation for the considerable charges such vessels were exposed to, from which other vessels were free, while forming at the same time a fair remuneration for the incontestable advantage which they conferred upon Japan, by the institution of a regular and certain service between her ports and those of foreign countries. He trusted to find that the Delegates would admit this distinction, which would not in the least interfere with the equality of treatment to be enjoyed by the ships of different nationalities. Not to admit it would amount to placing the Mail Steamers, which are tied down to a strictly regular service, under less favourable conditions than other vessels—Mail Steamers being compelled to leave at fixed dates, irrespective of considerations of freight. In any case, Mr. Tony Conte was unable to surrender, as far as the French Mail Steamers were concerned, the privileged treatment voluntarily offered by the Japanese Government, and therefore, whatever might be the dues finally agreed to by the Conference, the French Chargé d'Affaires would ask that the French Mail-Packets should be relieved to the extent of  $\frac{1}{2}$  of the dues imposed on other vessels. At the same time he would be the first to admit that the vessels of all other Mail Lines should receive the same treatment as that which he felt obliged to claim for the French Mail Steamers.

Mr. van der Pot proposed that a rate of about 20 *sen* per ton be levied on each entry, which would go far towards remedying the inequality in the incidence of the dues upon vessels entering only once a year, and Mail Steamers entering frequently, which had been pointed out by Sir Harry Parkes. As a concession to the regular Mail Steamers, he would propose that no such vessel should be charged for more than six entries in one year, even when entering oftener than six times during that period.

After some further discussion, Mr. von Eisendecker proposed that the question should be referred to a Committee formed of those Delegates whose interests were most concerned.

This proposal was agreed to unanimously.

Sir Harry Parkes observed that before the Conference adjourned, it was necessary to allude to the Tariff. At the meeting of the 16th March the President had

laid before the Delegates for their consideration a draft Tariff. After careful and thorough examination of this, they had drafted a counter-proposal, which he now begged to submit to the Japanese Delegates on the part of his Colleagues. The President had stated that he hoped to obtain a revenue of 4,000,000 yen, and it would be found that the Tariff proposed by the Foreign Delegates was estimated to yield about 3,300,000 yen. If however the charges were included as forming part of the values upon which the duties were to be calculated, the estimate of the Foreign Delegates would probably rise to 3,500,000 yen, and would therefore nearly approach the sum named by the President. The object sought to be attained by all the parties concerned was to obtain the largest amount of revenue compatible with a healthy expansion of the trade, and he believed that this aim would not be realized under a higher Tariff than that now presented by the Foreign Delegates.

The Chargé d'Affaires of Russia begged to say that, for his own part, he had no exception to take to the draft Tariff as submitted to the Conference by the Imperial Japanese Government. He considered it moderate and acceptable. The Government which he had the honour to represent had no commercial interests of importance in Japan, and could, in the course of the present negotiations on the Tariff question, pursue no other object than one of conciliation. He was therefore prepared to adhere to any proposal which, by taking into just account the interests and legitimate wishes of the Imperial Japanese Government as well as those of the other Treaty Powers, would tend to establish a basis for an agreement acceptable to all parties concerned.

Mr. Shioda replied that it afforded him much gratification to receive the counter-proposition just laid before the Conference, setting forth the views of the Treaty Powers there represented. He observed that the aggregate revenue estimated to be collected under the Tariff now proposed would be about 3,300,000 yen, or if the charges were included, about 3,500,000 yen, being in the latter case 500,000 yen less than the 4,000,000 which the Tariff proposed by the Japanese Government was expected to yield.

In view of this difference and of the fact that there still remained some items in the Tariff requiring further consideration, he wished to postpone any definite statement on the subject to a future occasion. He trusted that, notwithstanding this difference in the aggregate amount of revenue proposed to be obtained, the Conference was in a fair way to arrive at a definite understanding with respect to the Tariff. The favourable result already obtained was in no small degree due to the spirit of mutual conciliation which he was happy to say had animated the deliberations of the Conference from the commencement. He considered that the valuable services rendered by Sir Harry Parkes and Mr. Zappe in the examination of the Tariff question were entitled to general acknowledgment, as well as the tact displayed by them in reconciling the different interests of so many Powers.

He begged to tender to the Delegates, his sincere thanks for the labour they had bestowed upon the consideration of this question. He would reserve a final reply on the points still undetermined until the return of Mr. Inouye, when the counter-proposition now presented would be carefully taken into consideration by the Japanese Government.

The Conference adjourned at five o'clock.

## PROTOCOL No. 10.

MEETING OF MAY 11, 1882.

Present:

For Japan,

Mr. Inouye and Mr. Shioda;

For Austria-Hungary,

The Chevalier Hoffer von Hoffenfels;

For Belgium,

Mr. Scribe;

For France,

Mr. Tony Conte;

For Germany and Switzerland,

Mr. von Eisendecker, and as second delegate for Germany, Mr. Zappe;

For Great Britain,

Sir Harry S. Parkes;

For Italy,

The Chevalier E. Martin Lanciarez;

For the Netherlands, for Sweden and Norway and Denmark,

Mr. van der Pot;

For Russia,

Baron Rosen;

For Spain,

The Chevalier Don Luis del Castillo y Trigueros;

For the United States,

The Honourable John A. Bingham.

Protocol No. 9 was signed.

Mr. Inouye said that, owing to a serious indisposition, he had, to his great regret, been unable to attend at the last two meetings, but his health being now re-established, he was happy to be able to take part again in the labours of the Conference;

His colleague Mr. Shioda, Second Delegate for Japan, having reported to him the result of the proceedings of the Conference at the two meetings held during his absence, he had noted with much satisfaction the progress that had been made, especially with regard to the Tariff, in which question, owing to the conciliatory endeavours of the Foreign Delegates, an approximation had been made to the views of the Japanese Government. In thanking the Delegates for the result thus