

**CUSTOMS AND TARIFF POLICY OF TSARISM IN NORTHERN
AZERBAIJAN DURING THE MODERATE PATRONAGE TARIFF POLICY IN
RUSSIA (1850-1877)**

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Abstract: In the middle of the 19th century, reforms in the field of customs and tariffs were necessary for the development of capitalist relations and industry in the Russian Empire. In particular, the idea of gradually abandoning the protectionist policy appeared by making changes in the customs-tariff policy. Important customs and tariff reforms were implemented in Russia in the context of political and economic interests in 1850-1877. After the military conquest of the South Caucasus by the Russian Empire the economic conquest of the territory commenced by the tsarist government. From the middle of the 19th century, the Russian Empire began to implement new customs-tariff policy and structural reforms in Azerbaijan.

The article states the process of gradually abandoning the strict protectionism policy in the South Caucasus, starting from the end of the 1840s. The moderate protectionist tariff was applied to the Azerbaijani customs offices either late or with certain restrictions. Moreover, the implementation of the Russian moderate tariff policy in Transcaucasia, including Azerbaijan is studied.

Keywords: *Customs, Northern Azerbaijan, Tariff Policy, Duty, Regulation, Quarantine, Goods*

Introduction

The Russian Empire practiced developing capitalist relations and industrial growth rate in the middle of the 19th century. This situation prompted the state to carry out new revolutionary reforms in the field of agriculture, trade and customs, to abolish the serf system, a remnant of the Middle Ages, gradually abandon the protectionist policy by making changes in the customs-tariff policy. In general, the period 1850-1877 is considered as a crucial period for customs-tariff reforms in the history of customs policy in Russia. After the military conquest by the Russian Empire, the economic conquest of Azerbaijan by the tsarist government began. From the first years of the occupation, the implementation of the new customs-tariff policy, trade-tariff issues, as well as the study and research of the structural reforms carried out in the customs are important in the economic policy implemented here by the empire.

The main source science database and a large part of the materials for the studied problem are the documents of the Baku Customs Department of 1809-1917 [ARMDTA: (fond 376)], the Acts of the Caucasian Archeographic Commission (Акты собранные Кавказскою Археографическою Коммиссиею) (АКАК)), as well as the Code of Laws of the Russian Empire (ПСЗРИ) [ПСЗРИ]. It should be noted that codified acts called Customs Regulations took the leading place in the system of sources of customs

legislation in the 19th century. Some of these acts were included in the First Compendium of the Complete Collection of Laws of the Russian Empire. The second collection (Collective) is comprised of numerous acts providing for additions and changes to these statutes. Most of these norms were later systematized in a consolidated act, the Customs Regulations of 1857, included in Volume VI of the Compendium of Laws of the Russian Empire. Acts related to the organization and management of the customs system, both in the entire state and in individual regions, are dedicated to changes in the customs infrastructure – to the creation of customs and customs posts, changing their status, and customs tariffs [Балковая (2018): 95-97].

There has been no special research on the above-mentioned topic and it has hardly been touched upon in historiography. Information on separate problems of the subject can be found only in a number of generalized works and published articles on the customs history of Azerbaijan. For instance, the articles, concerning the history of customs from ancient times to the present, were published in the book "Azerbaijani Customs: Historical Traditions and Modernity" in 2007 under editorship of Professor Y.M. Mahmudov. This collection includes H.N. Hasanov's article "The history of the customs policy of Tsarist Russia in Northern Azerbaijan and its impact on economic life in the early 19th-20th centuries" [Həsənov (2007): 106-111] and Y.M. Mahmudov, A.A. Pashayev, and K.K. Shukurov's co-authored article "Regarding the resettlement of Armenians to the South Caucasus (from the quarantine-customs documents of Tsarist Russia)" [Mahudov (2007): 113-130] contains brief information on this topic. In the book "Azerbaijan customs history" published under the editorship of F.S. Asadov and A.Ş. Shekaraliyev, also R.A. Guliyev's monograph "Customs work in the history of Azerbaijan statehood (Azerbaijan People's Republic (1918-1920)) and M. Musayev's monograph "Trade of the city of Baku in the 19th century (1800-1883 years)" [Musayev M. (1966)] briefly touched on customs and tariff issues in the second half of the 19th century.

The overview of the customs and tariff policy of tsarism in Northern Azerbaijan towards the middle of the 19th century

In the late 1830s and early 1840s, the internal and external trade of the South Caucasus decreased significantly. In 1843, Y.A. Gagameyster, an official of the Ministry of Finance, was sent to the South Caucasus in order to clarify the reasons for the decline of trade in the South Caucasus, to develop a "plan for changes in the customs regulations and customs points". It should be noted that a special organization of territorial customs' points was created on the basis of geographical, economic and political (administrative) factors in the first half of the 19th century in Russia. The location of customs authorities was primarily based on geographical factors. Public demand for customs services was expressed by economic factors in terms of the role of various territories in the prospects of the Russian economy and the interests of neighboring countries. At the same time, the priority criterion of placing customs authorities along the state border was preserved. As a result, a specific border space is formed and created a number of potential advantages for the regions: the development of border trade, increased employment and competition in the field of trade. So, central authorities turned their attention to the problems of border regions. Thus, when creating customs bodies (stations), the Russian authorities took into

consideration not only the need for a checkpoint, but also other criteria [Савосина (2014): 54]. In July 1844, Y.A. Gagameister, together with the deputy head of the South Caucasus customs district D.A. Ducroix, got acquainted with the work of trade and customs administrations in the South Caucasus, as well as in Azerbaijan and submitted their notes to the head of the Caucasus, A.I. Neygar [Süleymanov (2002): 135]. Y.A. Gagameister and D.A. Ducroix's proposals were mainly approved. Consequently, a new stage began in the work of upgrading the customs system in South Caucasus, including in Azerbaijan.

With the resignation of Finance Minister Kankrin, changes were made for the first time in the last ten years regarding the customs points of the South Caucasus. The Ordubad customs post, which was closed in 1844, started operating again in 1846. In the same year, the Gulistan customs post was again moved to Nakhchivan. The Javad customs post, which has no importance for trade and customs and is located quite far from the border, was abolished on May 1, 1846. In 1847, Sharur customs station was established instead of Norashen customs station. In 1849, the Salyan customs post was moved to Bilasuvar, which is relatively close to the Mughan road-border [Süleymanov (2002): 136]. In order to strengthen control over goods imported from Europe, a decision was made to establish an additional customs point in Astara in 1847. At the end of 1847, the Agoghlan customs office was transferred to Jabrayil.

The district (territorial) system was the basis for Russian customs administration in the 19th century. Moreover, the strengthening of border and internal customs' status can also be noted in this matter. The latter carried out the inspection and clearance of the goods controlled outside the border, as well as transit cargo, which indicates a comprehensive assessment of the activities of the customs authorities, taking into account their location and operational characteristics. Towards the middle of the 19th century, special attention was paid to the development of customs authorities in remote regions. In 1847, the Regulation on the structure, operation and management of quarantine-customs units in the Caucasus and beyond the borders of the Caucasus was approved. The regulation was closely related to the issues of quarantine measures and customs affairs, which arose as a result of the real threat of epidemiological diseases entering the territory of Russia. In this regard, the quarantine institutions on the Black Sea coast of the Caucasus were merged with the customs institutions and received the name "quarantine-customs". All the quarantine and customs facilities on the Black Sea coast of the Caucasus were part of the Transcaucasia (South Caucasus) and Sukhum-Kali quarantine-customs district [Савосина (2014): 54-55]. Thus, by the regulations of the General Administration Council of May 4, 1847, quarantine and customs parts were combined and quarantine-customs districts were created, which also were divided into distances headed by I and II quarantine and customs departments. As a result, unlike other parts of the Russian Empire, a single quarantine-customs district was organized in the South Caucasus [Mahmudov (2007): 115]. In 1847, the South Caucasus quarantine-customs district was divided into 4 districts: Baku, Nakhchivan, Alexandropol and Redoubt (Redut)-Kali.

Protectionism was considered the most appropriate customs tariff policy in Russia in the 1820s-50s. Protectionism was carried out by imposing high customs duties on imported goods, currency restrictions and import limits. The main goal here was to

reduce imports, and instead to help the development of local industry. It is no coincidence that Tsar Nicholas I, approved the “Regulation on the Organization of Trade and Customs Affairs in Transcaucasia” taking into account numerous appeals to prevent the introduction of quality European goods to the Caucasus and promote the sale of Russian industrial products here, on June 3, 1831. According to this new Regulation, it was forbidden to bring goods from Europe to the South Caucasus from January 1, 1832 [Əliyev (2004): 38-39]. By the decision of the Senate, starting from June 3, 1831, the prohibition tariff began to be implemented in customs offices in Azerbaijan as well. On June 3, 1831, due to the new trade tariff, the markets of the South Caucasus were declared virtually closed to European industrial goods, primarily to British textile products. According to this tariff, very large customs duties were imposed on European products. The aim here was to expand the sale of Russian goods in the Transcaucasian provinces and Iran and to prevent the free movement of European goods in the Transcaucasia. As a result, the Russian textile industry was saved from international competition [Süleymanov (2001): 89]. Customs duties on European traders were so elevated that it made trade in the region practically pointless. As a result, Kulevi-Tbilisi-Baku trade route has lost its former importance. Moreover, trade between European countries and Iran moved to new trade routes by passing Trabzon-Erzurum through the Ottoman Empire. In addition, England established a commercial company in Trabzon and controlled all trade with Asia Minor and Iran with its assistance [Мурадалиева (2017): 9]. Under the governor M.S. Vorontsov, taxes on foreign goods, imported to the South Caucasus, in 1844 were reduced again. Furthermore, customs-free transport trade was allowed to Turkey, Iran and other countries through the South Caucasus. These concessions led to the fact that the total value of foreign goods brought to the South Caucasus was five times higher than the total value of goods exported from here [Osmanov (1996): 48-49]. Despite flourishing trade relations between South Caucasus and foreign countries, the commerce relations with the neighboring governorates of Russia remained very weak until the Crimean War. However, since the late fifties of the 19th century, trade relations between Russia and the South Caucasus were revived as a result of the several activities such as establishment of Russian shipping and trading societies, the strengthening of traffic on the Volga and the Caspian Sea, the completion of the military Georgian road construction, road and new highway constructions, the opening of the Transcaucasian railway and the prohibition of preferential trade. [Osmanov (1996): 49]. In the late 1840s and early 1850s, public opinion shifted to free trade. Consequently, protective customs measures gradually weakened and the period of free trade began. However, this had a negative impact on the country's economy. Later, the customs offices operated on the basis of the general trade tariffs of 1846 and 1851. Although the terms of the tariff of 1831 were slightly softened by the December 14, 1846 "Charter", it did not have a positive effect on trade in the Caucasus [Süleymanov (2001): 89].

Until the period of moderate patronage tariff policy in Tsarist Russia began (in 1850), the customs and tariff policy of Tsarism in North Azerbaijan was apparently of a colonial nature and adapted to the Russian customs regulations with minor exceptions. The protectionist tariff policy applied in Russia since 1822 has been implemented in the South Caucasus, including Azerbaijan since 1831, in a stricter manner and in the form of a

prohibitive tariff, in accordance with the economic interests of the empire. Also, after the resignation of Finance Minister Kankrin, in the 1840s, significant changes were made in the customs and tariff work of tsarism in the South Caucasus. For the first time in the last ten years, a single quarantine-customs system was established, and as in Russia itself, the tariff policy was softened from 1846 on. Thus, the protectionist tariff in Russia and the prohibitive tariff in Azerbaijan were gradually abandoned.

Moderate patronage in the customs tariff policy of the Russian Empire

During his tenure as Minister of Finance, Count E.F. Kankrin's (1823-1844) tariff policy was based on the criticism of cosmopolitanism. It justified the protection of the national industry with the assistance of the customs tariff, which he applied in practice. In 1844, Kankrin retired, handing over his post to by F.P. Vronchenko. From that moment, the customs tariff liberalization movement began to gain momentum [Егоров (2010): 11]. Thus, after the retirement of Kankrin, a gradual transition from a strict protection system to a moderate protectionism in the Russian tariff policy began [Лодыженский (1886): 226]. This was expressed in the project "On Measures to Expand Russia's Foreign Trade", prepared by the trade advisor Popov. In this document, difficulties in selling Russian goods, high customs duties on export goods and prohibitive tariffs on import goods were explained [Кисловский (2004): 199]. In 1848, the customs tariff was revised. On October 13, 1850, a new customs tariff was approved, which broke the restrictive system of foreign trade established by the 1822 tariff and marked the beginning of customs liberalization. With the customs tariff adopted on October 13, 1850, the prohibitive tendencies were considerably softened. While the old tariff contained 336 taxable items, 11 of which were prohibited and 56 of which were duty-free, the new tariff consisted of 118 items (109 of which were subject to duties, 6 of which were duty-free, and 3 of which were prohibited to import). Also, the duties on main imported goods (cotton fabrics, dyes, equipment) fell sharply [Кисловский (2004): 199]. Famous economist Ludwig Valerianovich Tengoborski played a leading role in the adoption of this tariff, as well as in the preparation of the 1857 tariff [Лодыженский (1886): 239]. His views on Russia's economic policy were reflected in the essence of these two tariffs and formed the quintessence of the national economic views of most educated people of that period [Егоров (2010): 12]. The tariff of 1850 marked the beginning of the liberalization of customs, which was especially intensified in the tariffs of 1857 and 1868. In 1850, duties were reduced on 299 articles of the tariff, import bans were lifted on 12. In particular, the import of unprocessed raw materials and semi-finished products was facilitated. As a result, the flow of goods to Russia began in the period from 1850 to the mid-70s [Кисловский (2004): 199]. Under these conditions, a significant part of the country's factories and plants, created in the 1820s and 1840s, could not withstand foreign competition: products from abroad which were produced by using new technologies were of better quality and cheaper.

Nevertheless, the introduction of the tariff of 1850 resulted in the development of some industries. The relatively prosperous development of the country was interrupted in 1853 due to the beginning of the Crimean War. The Russian Empire was neither financially nor industrially equipped for such a war. The war caused the collapse of the

state's financial system and clearly demonstrated to the Russian elite the advantages of the development of bourgeois industry compared to Russia's system of feudal serfdom [Еропов (2010): 15-18]. The best moment came for the supporters of liberal reforms after the accession to the throne of Emperor Alexander II (1855). The young emperor was open to proposals for reform, and his rule would ensure and witness the implementation of complementary reforms - in the abolition of serfdom, the judiciary, land and urban administration - influenced by the lessons learned from the Crimean War and liberal ideas. All this would lead to innovations in trade and industry and the development of new customs regulations.

In 1856, the Crimean War ended, the consequences of which led to a decrease in trade and, as a result, in severe monetary inflation. Although customs revenues increased during this period due to the increase in the import of goods, the Russian economy was in a state of crisis, and urgent measures were required to stabilize the finances. Under these conditions, public opinion began to support protectionist measures, but it remained only as a wish [Кисловский (2004): 199]. In the 1850s and 1860s, the tendencies that penetrated the tariff movement in Russia were usually in the liberal and even "free trade" direction. However, on closer inspection, these tendencies can be seen to be more moderate protectionist ideas than overly liberal trade ideas. The desire to open the widest avenues for foreign trade through a liberal customs system was secondary for Russian economic thought. Importing cheap raw materials and semi-finished products from abroad could, according to majority of people, be useful and sometimes vital for the establishment of national industry [Еропов (2010): 12]. Because from that period (from 1850-1860s), fundamental structural changes were taking place in the development of productive forces in the economy of advanced European countries.

The steam transport and machine technology, which became the main condition for the production process in the national economy, played a powerful role in stimulating the rapid growth of both relatively independent and major industries in European countries [Гаркавенко (2017): 34-35]. In this respect, Russia was far behind European countries. On April 25, 1857, Emperor Alexander II approved a new Customs Charter for European and Asian trade, which outlined the main directions of the empire's customs policy and customs legislation. In accordance with the charter, the structure of customs administration was defined: the independence of customs authorities was emphasized for the first time in the new charter, and special requirements for customs employees were also defined.

While preparing the tariff of 1857, the government was guided by two objectives: fiscal and defensive. First of all, replenishing the treasury depleted during the Crimean War was a crucial factor. As a result of the significant increase in imports and the expansion of the tax base, the government could hope for at least a partial solution to the public debt problem. The most important outcome of the implementation of the tariff of 1857 was the sustainable industrial growth of Russia. Production enterprises were supplied with relatively cheap foreign raw materials. Among the monopolists who criticized the reduction of the interest rate, got acquainted with foreign competition and were forced to reduce the costs of their production, thereby increasing the efficiency of the Russian economy as a whole [Еропов (2010): 17-18].

The tariffs of 1857 and 1868 were passed to demand the liberation of foreign trade from previous restrictions and allow free competition between foreign and domestic industry. However, the former demands of the protectionist group were not entirely ignored, as the previous high protective (conservative) duty (customs) was only gradually reduced (in a certain sequence), the tariff of 1868 was drawn up in a generally moderate protectionist spirit and retained some traces of the earlier system: in some of its articles a high duty was set for the import of goods [Лодыженский (1886): 229].

With the tariff adopted in 1868, the duty on 16 items was canceled, the tariff rates on 152 items were lowered, and the tariff was increased on 35 items [Соломеин (2011): 143], which ultimately affected the increase in customs revenues of the treasury. The new tariff reform envisaged the simplification of tariff classification, the equalization of the amount of duties on sea and land imports, taking into account the railway connection of the Russian Empire with Europe, and the maximum possible reduction of duties on raw materials without harming the fiscal. Of all the points mentioned above, only the last one had a certain value in patronizing the development of industry. Thus, the tariff measure of 1868 was fiscally and moderately protective. The direct result of the tariff of 1868 was a significant grow in the amount of customs revenues [Еропов (2010): 18].

In the 1868 tariff, duties on imported raw materials and semi-finished products were considerably reduced. Dominant free trade trends opened wide opportunities for importing goods from abroad [Кисловский (2004): 199].

The reduction of duties in this tariff allowed some contemporaries and even later researchers to call it the "freest trade". Thus, despite a significant reduction in the duty rate, the tariffs of the 1850s and 1870s had a more vital impact on industrial growth than the high tariffs of the 1820s and 1850s. In practice, a low tariff was more protective than a high tariff and together with other socio-economic changes of the period, enabled the Russian Empire to make a qualitative leap towards industrial development [Еропов (2010): 18-19]. In other words, the liberal customs tariff of 1850-1870s was more profitable for the Russian industry than the protectionist policy applied for the purpose of industrial development in Russia in 1820-1850s. The impending war with Turkey, as well as the government's dissatisfaction with the state of the country's trade balance, resulted in the adoption of a new customs tariff. On November 10, 1876, the regulation "On the purchase of customs duties with gold currency" was adopted. Until the adoption of this document, the fee was paid in credit rubles, which at that time had a notable exchange rate difference with the gold ruble. This was the beginning of the next stage in the history of Russian tariff regulation. Thus, from January 1, 1877, the payment of customs duties in gold was introduced in the empire, which led to a general increase in customs taxes due to the devaluation of the credit ruble.

Thus, in 1877, the gold ruble was worth 1.48 credit rubles. So, with the help of the measure mentioned above, the government raised all customs tariff rates by 48% indiscriminately. The new charter was instantly adopted as part of a program to prepare for an imminent war with the Ottoman Empire. With his help, additional funds were found for the treasury. The trade balance has also changed towards a decrease in imports. The measure of 1876 to solve short-term economic and financial problems was fully justified. With the introduction of this tariff, the era of free trade in the Russian customs-tariff policy ended. However, public opinion on the imposition of a customs tariff was

divided, as it was in the middle of the century. The years of 1850-70s were the period when liberal ideas prevailed, while after 1877 protectionist ideas began to dominate in the Russian Empire.

Customs and tariff policy of Tsarist Russia in Northern Azerbaijan (1850-1877)

The customs and tariff policy implemented in the Russian Empire in the middle of the 19th century was soon reflected in the South Caucasus. The implementation of the Russian customs tariff policy in the South Caucasus was carried out through changes in the customs system and various tariff adjustments. Vorontsov, the viceroy of the Caucasus, using the great authority given to him by the emperor, altered the customs system of the Caucasus in 1850. He issued an order on the new management under the name of "Customs Quarantines and Customs Affairs". Thus, in addition to Baku, Dagestan, Tbilisi, customs offices were established in Kuban and Kutaisi. In order to provide closer assistance to the customs work in Northern Azerbaijan, he considered it important to have distances (*дистанция* in Russian). There were given different degrees to those distances. For instance, Nakhchivan, Julfa and Sharur were preserved as first-class customs points, while Ordubad customhouse was remained in the second class as before. Irevan was maintained as a customs post. [Əsədov (2001): 55-56]

A new stage in the expansion of the customs system of the South Caucasus began from the second half of the 19th century. According to the "Regulation on the reconstruction of the customs-quarantine section in the Caucasus and Transcaucasia" approved by the Viceroy of the Caucasus on March 31, 1861, the South Caucasus customs territory was divided into quarantine-customs districts. Baku quarantine-customs circle was divided into Baku and Jabrayil districts.

Baku district includes areas along the Caspian Sea, starting from the Terek River and reaching the Astara station; Jabrayil District included the Elisabethpol (Ganja) governorate, starting from Astara along the border with Iran, the Alexandropol district up to the border of Yerevan, Nakhchivan and Etchmiadzin. The Baku customs house was placed under the control of the quarantine-customs office located in Baku under the name of the customs-quarantine office. As the "Charter" was of a temporary nature, it was supposed to be implemented until 1863 [ARMDTA (f. 376, l.1.w.10): 33-34].

According to the "Regulation on the reorganization and management of the Quarantine- Customs Department in the Caucasus and Transcaucasia" approved by the Viceroy of the Caucasus, General Knyaz Baryatinsky on March 31, 1861, the Baku Quarantine-Customs management (*управление* in Russian) was transformed into the Baku Quarantine-Customs office (*контора* in Russian) and it has been subordinated to the newly established Baku Quarantine-Customs District. Moreover, three staffs (Head of the District, task officer and secretary) were allocated for the management of the district.

The Baku Quarantine-Customs office was considered to be the 1st level, with allocated 18 employees (chief, quarantine director-physician, secretary-treasurer, two tax collectors, supervisor, translator, ship watcher and 10 customs house inspectors).

On January 1, 1863, taking into account the large length of borders (i.e. the large number of customs points) under the control of the Baku customs department, the viceroy

divided the Northern Azerbaijan customs into two regions. Thus, the customs authorities started their activities with Jabrayil and Baku regions.

According to the directive of the governor of the Caucasus dated December 31, 1867, a new Regulation on the quarantine and customs system in the South Caucasus was adopted. According to this document, Baku Quarantine and Customs District was divided into three distances:

- 1) Baku quarantine-customs distance (from the place where the Terek River flows into the Caspian Sea to the place where the Astara River flows into the Caspian Sea);
- 2) Jabrayil quarantine-customs distance (from the settlement of Astara to the borders of Elisabethpol governorate along the border with Iran and Iravan district);
- 3) Nakhchivan quarantine-customs distance (from the borders of Yerevan district to the settlement of Gyumri along the border with Iran) [Гулиев (2014): 77].

Starting from 1874, Mozdok, Proladinsk, Kizlyar, Serebrakovski stations located in the North Caucasus were also included in the scope of Baku quarantine-customs. Moreover, the Jabrayil quarantine-customs outpost, established in 1847, was given the status of a quarantine-customs office in 1861. Until 1861, the Jabrayil quarantine-customs outpost was subordinate to the Nakhchivan quarantine-customs administration, and in 1861-1897 it was included to the Baku quarantine-customs district.

In the middle of the 19th century, important changes took place in the tariff policy in Russia. Thus, after Kankrin's resignation as Minister of Finance, the tendency to soften protectionism prevailed in the customs policy. This was reflected in the project "On measures related to the expansion of Russia's foreign trade" formulated by trade adviser Popov. In this document, challenges in the sale of Russian goods were elucidated by high customs duties on exported goods and prohibitive tariffs on imported goods. The preparation of a new tariff was started at once. The customs tariff adopted on October 13, 1850 greatly softened the prohibition tendencies [Кисловский (2004): 199]. It initiated the first attempts at liberalization in customs, and the line of such liberalization was strengthened particularly in the tariffs of 1857 and 1868. The softening of the tariff policy carried out by Tsarism in the South Caucasus drew attention with its own characteristics.

So, as early as June 26, 1847, with the Supreme Decree of the Senate, Shamakhi enterprise (industry) owners permitted to send silk products to Russia by mail without a customs certificate [ИЦЗПИ (1848): 551]. It should be noted that during the period when the moderate trade tariff was applied, three issues related to customs tariff regulations got attention: firstly, the application of the moderate (moderate) protectionist tariff policy applied in the Empire to the South Caucasus, including Azerbaijan (in the customs offices here), and secondly, the South Caucasus, especially the release or passage of transit goods from customs institutions located in Azerbaijan, and finally, the third issue is the application of tariffs to industrial products produced in Russia and Azerbaijan. On June 18, 1849, the Supreme approved Regulation was approved on the "authorization of various things and supplies, depending on quantity and quality, brought to Transcaucasia from foreign countries without duty". The Supreme Senate made a decision in accordance with the discretion of Adjutant General Knyaz Vorontsov to allow the import of foreign goods to Transcaucasia duty free. For each foreign merchant, skipper and honorary passenger who arriving in Transcaucasia from Iran and Turkey along the land border and to the Caspian ports, it was allowed to bring without customs (duty): five

pounds (*girvka*) of sugar, half a girvka of tea, two girvka of coffee, cinnamon, cloves, nutmeg, ginger, pepper and other spices in such a quantity that generally not exceeding two girwankas for each person; all kinds of fruits and Asian sweets, usually ten gireng; henna dye three gilts, dye grade one pound, and boot tobacco five gilts [ПСЗРІ (1850):350].

The Supremely Approved Regulation of the Caucasian Committee dated June 18, 1849 permitted to bring some European and colonial goods to the Baku customs house. Thus, the validity of the permission to bring European and colonial goods from Iran and Turkey to the Transcaucasian region by land border through the quarantine-customs office of Alexandropol and Nakhchivan by paying a fee at the tariff of December 14, 1846, it was allowed to be applied to the Baku customs office according to the list announced in the decree of the Supreme Senate published on January 29, 1848. With this Regulation, it was also envisaged to levy a duty on European and colonial goods delivered directly to Baku from the foreign countries via Caspian Sea due to the rate of December 14, 1846.

However, when the mentioned goods were brought from Baku to Astarkhana, despite the fact that there was a certificate from the Baku customs house on the clearance of the goods an additional fee was charged in the latter port on Article 2273 of the Customs Code, on contrary to the Transcaucasian tariff [ПСЗРІ (1850): 351].

On October 13 (25), 1850, a common tariff was adopted for the customs house of the Russian Empire and the Kingdom of Poland for European trade. The tariff was aimed to encourage the development of trade and industry and to further facilitate foreign trade relations. The general tariff on European trade was implemented both for the empire and the tsarist from January 1/13, 1851. With this tariff, the internal customs line between the Empire and Tsarist Poland was also eliminated, and the Russian customs administration (administrative mechanism) was introduced in the latter. A new reduced tariff duty had to be paid for some goods from January 1/13, 1851. The scope of this tariff was applied to goods which imported from abroad to the Black Sea and delivered to Tbilisi from Redoubt Kali and Sukhum Kali, also this tariff was applied all European ports, customs offices and outposts of the Russian Empire and the Kingdom of Poland, and the quarantine-customs offices of the Transcaucasian region on the eastern shores of the Black Sea, as well as the Tbilisi customs office. All customs houses and outposts for European trade in the Empire and the Kingdom of Poland were with some exceptions, divided into three classes. The tariff was applied to the following Transcaucasian regional quarantine-customs places on the eastern coast of the Black Sea: a) Quarantine-customs Department: Redoubt Kali, Sukhum Kali (one year cleaning) and Novorossiysk (5 months cleaning) and b) Nikolaevsk, Ochemchirsk, Gelenchik (Gelinchik) and Anap quarantine customs posts. In addition, the same tariff was also put into practice to the quarantine-customs offices of Alexandropol, Nakhchivan and Baku, located in the territory of Azerbaijan: but this only applied to European and colonial goods listed in Article 2256 of the Customs Regulations (Collection of Laws, Volume 6). A three-month clearing period was determined for those European and colonial goods. There was also defined a period of one month for customs clearance of goods in quarantine customs posts. Prohibited European colonial and Asian goods from all locations were admitted to the Tiflis warehouse customs house and could be sent to the warehouse either for duty

clearance or for transit to foreign countries via Nakhchivan or via Sukhum Fort and Redoubt Fort. An annual period for customs clearance or transit of goods was set for the Tbilisi customs office. European goods transported to Iran (in the remote areas of Transcaucasia, from Redoubt Kali and Sukhum Kali to Tiflis and Nakhchivan) were released duty-free based on a special law passed for this transit. [ИЦЗПИ (1851): 543-544]. The content of the Charter published by the decree of the Senate on January 28, 1853 was as follows: The Supreme Senate, considering the proposal of the Ministry of Justice on the presentation of the Caucasian Viceroy, on December 17, 1852, allowed to confirm a new Charter on the movement of Asian goods from Iran to Europe and European goods to Iran through the Transcaucasian region. The new Regulation was issued instead of the law applied in Article 2343 of Volume VI of the Compendium of Customs Regulations. According to the general rules of the above mentioned supremely approved Charter:

1. European and colonial goods could be sent duty-free through Transcaucasia from Redoubt Kali to Iran, from Sukhum Kali and Tiflis to the border of Iran through Nakhchivan.
2. Asian goods could be transmitted to Europe either from all quarantine-customs offices and outposts on the land border with Iran, or from the Transcaucasian ports of the Caspian Sea: Baku and Astar, Tiflis in Redoubt-Kali and Sukhum Kali [ИЦЗПИ (1853): 770].

However, by the decision of the Senate, dated November 15, 1853, from January 1, 1854 to January 1, 1860, it was forbidden to bring grain from abroad to Transcaucasia. On December 6, 1859, with the presentation of the Viceroy of the Caucasus, the effect of Article 181 of the Customs Tariff of 1857 (31881) for the Black Sea ports of the Transcaucasian region was restored from January 1, 1860, by the Supremely approved Regulation of the Caucasus Committee. Thus, it was allowed to import foreign grain with a fee of ten silver cents per *pood*.

On September 13, 1854, in addition to Article 2272 of the Compendium of Customs Regulations, Volume VI, according to the general tariff of 1850, it was forbidden to import into Transcaucasia by land and via the Caspian Sea all goods prohibited for import into the Transcaucasian Black Sea ports [ИЦЗПИ (1855): 756].

During the Crimean War of 1853-1856, there was a significant change in the supply of goods to the Transcaucasian region. Thus, on September 20, 1855, by the Supreme Decree of the Senate, until the end of the war, it was allowed to deliver European and colonial goods to the Black Sea ports of the Transcaucasian region under the 1850 tariff. However this privilege was limited. For this reason, the privilege (concessions) was given only to the two most important customs offices on the aforementioned borders, the Nakhchivan and Alexandropol quarantine customs offices. Nevertheless they were allowed to store, use and send goods to the warehouse of the Tbilisi customs office on general grounds [ИЦЗПИ (1856): 595].

On July 7, 1857, a new general tariff for the European trade was issued for the customs offices of the Russian Empire and the Kingdom of Poland. The tariff was applied to all customs offices of the Empire except Odessa, which was *porto franco* [ИЦЗПИ (1857): 411]. The Russian Empire and the Kingdom of Poland were allowed to levy various goods on the Black Sea coast in the Transcaucasian region under the

common tariff for European trade; in addition, 20 kopecks per *pood* and goods, that were prohibited to be imported, were also determined by the tariff [ИЦЗПИ (1858): 110]. According to the general rules established for the operation of the tariff, the operation (force, effect) of the tariff applies to all European ports and land border outposts and customs offices of the Russian Empire and Tsarist Poland, and to the quarantine customs places organized on the Black Sea Eastern coast of the Transcaucasia region, as well as those brought from the Black Sea coast and Redoubt-Kali and spread to the Tbilisi customs office in connection with the goods delivered from Sukhum Kali to Tbilisi [ИЦЗПИ (1858):164]. The Transcaucasia quarantine-customs places on the Eastern coast of the Black Sea, where the tariff was distributed, were as follows:

- a) Quarantine-customs office- Redoubt-Kali, Sukhum Kali and Novorossiysk
- b) Nikolaevsky, Ochemirsk, Gelencik and Anap quarantine-customs outposts

The tariff of 1857 was applied with exceptions to the customs offices located in the territories of Azerbaijan. Thus, the activity of that tariff is extended to the quarantine-customs offices of Alexandropol, Nakhchivan and Baku and Jabrayil and Jigisman quarantine-customs posts only in relation to those European and colonial goods whose names are listed in the table in the appendix to Article 2256 of the Customs Charter (Compendium of Laws, Volume VI) has been noted. The period for clearance of European and colonial goods allowed (released) at the quarantine customs offices of Alexandropol, Nakhchivan and Baku was set at three months. A period of one month was set for customs clearance of goods at quarantine customs posts. According to Article 1539 of the Customs Regulations, Russian customs offices charge a transit fee of 35 silver kopecks per pound of gross weight of goods in transit. European goods sent in transit from Redoubt-Kali and Sukhum Kali to Iran, through Tiflis and Nakhchivan in the Transcaucasia region were released duty-free based on the special rule (law) decided for that transit [ИЦЗПИ (1858): 110, 162-168].

According to Article 2230 of the Compendium of Laws, Volume VI of the Customs Regulations (1857 edition), the importation of European and colonial goods from the Caspian Sea and the land border from Iran and Turkey to Transcaucasia, in the additional list mentioned in that article, the quarantine customs offices of Alexandropol, Nakhchivan and Baku and Jagisman It was allowed through Gabriel outposts. By the decision of May 12, 1862, in addition to the above-mentioned offices and outposts, it was allowed to import European and colonial goods through the Astara, Sossuvar, Igdir (Orgov), Redoubt-Kali, and Nikolaevsk quarantine-customs outposts by paying duties at the European tariff.

In addition, His Imperial Majesty passed the following decision in order to prevent the introduction of cotton cloth, called cloth, in a more properly defined form into Transcaucasia and the smuggling of such goods:

- 1) According to the current general tariff for bringing European cloth to the Transcaucasia, the duty should be reduced from 20 kopecks to 10 kopecks, and at the same time, this cloth should be allowed to be released through the customs offices of the Transcaucasian region and the northeastern coast of the Black Sea without exception.

2) The Viceroy of the Caucasus should be entrusted with determining the rules for correctly determining the origin of the cloth brought to the Transcaucasian region under his immediate order [ПЦЗПИ (1865): 429].

According to the Supreme approved regulation of the Caucasian Committee dated September 25, 1862, cloth made in Europe, and dyed (colored) and embroidered in Iran, then brought to Transcaucasia under the name of Iranian product is obliged to pay a fee of 10 kopecks per girvanka, determined by the above-mentioned Supreme decree for European cloth; the said cloth was allowed to be released through all customs offices of the Transcaucasian region and the northeastern coast of the Black Sea [ПЦЗПИ (1865): 129]. On January 29, 1865, a Supremely approved Regulation was adopted regarding the transit of European goods to Iran and Asian goods from Iran to Europe through the Transcaucasia region [ПЦЗПИ (1867): 124-125]. On April 5, 1865 (published on June 21), the Supreme Approved Resolution of the Council of State amending some articles of the General Customs Tariff of 1857 on European trade was adopted. By amendment of May 27, 1857 (31881) to simplify the General Customs tariff on European trade, approved by the Supreme, a duty was levied on the importation of some goods, and an excise was fixed on others. It was forbidden to import military copper and steel tools (cannons) and bullets (shells) [ПЦЗПИ (1867): 394].

Until the early 1860s, the Iranian-European transit trade was carried out via the Poti-Tiflis-Nakhchivan route. Baku was completely excluded from this transit trade. It was written in the code of customs laws, published in 1857: the goods of European and colonial countries can be transported from Transcaucasia to Iran without paying customs, only from Redoubt-Kali, Sukhum-Kali and Tiflis to Nakhchivan, and from there to Iran. In order to expand the role of Transcaucasia in the Iranian-European transit trade, in the middle of 1863 transit trade was allowed to be carried out from Baku as well [Musayev (1966): 129]. Merchants from different parts of the world brought their goods to the outposts and crossings under the Baku customs district. For one year (1864), 217,822 manats of duties were collected from merchants coming from Europe and Asia alone. Customs duty was 130,680 manats 85 kopecks from Baku customs, 598,236 manats 15 kopecks from Jabrayil, and 244,101 manat 50 kopecks from Astara. By the special decree of the Viceroy of the Caucasus, when collecting customs duty from goods imported from other countries, the quality of the goods, where they were produced, should be checked, and duties should be applied according to the quality of the goods. If the merchant could not pay the fee in cash while passing through the customs point, he had to pay the fee after selling his goods under a special contract [Əsədov F. S., Şəkərəliyev A. Ş. (2001): 65]. Traders from almost all over the world came to the customs points, outposts and crossings of Northern Azerbaijan. There were also differences in the payment of duties by merchants from one or another country. In many cases, merchants hid their European and American goods from customs. The reason was that the goods were overcharged. Viceroy had a special instruction about this. As a rule, the customs officials, based on that instruction, thoroughly inspected the goods brought by the merchants and received customs duties in return.

It is also noteworthy that the customs clearance of goods in transit to Iran in the South Caucasus was based on the rules, released in 1870. In 1876, trade in the South Caucasus, including in Azerbaijan, was carried out under preferential conditions, and was not

subject to the legislation operating within the empire on trade fees [Osmanov (1996): 49-50].

Conclusion

From all the above, we come to the conclusion that customs and tariff policy of tsarism in North Azerbaijan during the period of moderate patronage tariff policy in Tsarist Russia (1850-1877) served the interests of the Russian Empire and the customs and tariff policy implemented in the South Caucasus in general aimed at ensuring the economic interests of the empire, especially the interests of the industrial owners, it played a role in increasing the budget revenues, bearing a fiscal character in a certain sense. In 1847, along with the establishment of a unified quarantine-customs system in the South Caucasus, certain relaxations were observed in the prohibitive tariff policy that existed since 1831. In the 1860s, new changes were made in the customs structure of Northern Azerbaijan, and since 1874, the scope of Baku customs has been further expanded.

In the 1850s and 1860s, a moderate conservative tariff policy prevailed in Russia, which was reflected in the General Tariffs adopted in 1850, 1857, and 1868. So, if these accepted tariffs were applied to all the customs offices of the empire as well as to the customs points of the Black Sea coast of the South Caucasus, these tariffs were applied to the customs offices located in Northern Azerbaijan either, but later or with certain restrictions. In 1850-1877, taking into account the economic and commercial interests of the tsarism in the South Caucasus, the changes in the customs tariff policy implemented by the tsarism in Northern Azerbaijan were carried out in accordance with the customs policy applied in Russia with some minor exceptions. This policy of tsarism results in the strengthening of the Russian customs system in Northern Azerbaijan and the customs tariff that meets the interests of the empire. Also, taking into account the general state of capitalist relations and industry in the South Caucasus, the tariffs imposed on oil, tobacco and sugar were changed according to the economic and political influences of the time.

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