

and rapid growth of Hamburg in employing home-made material and spite of these charges does go to show home labor without the exercise of the importance of the local freedom the German's Custom Tariff. This from custom duties. has made it possible for Hamburg to become a leading port for distribu-

#### The Stephens Report

In 1908, Mr. George Washington Stephens, President of the Montreal Board, and Mr. Frederick W. Cowie, B.A., Sc., M. Inst., C.C., chief engineer of the St. Lawrence Ship Canal, made a report upon the principal ports of the world after having made a tour of inspection of these ports to study the conditions prevailing. It was an exhaustive and admirable report and from it most of the figures we are quoting were taken.

#### The Free Port

is thus described in this report:—

"By far the most important feature however, in the Port's development consists in its free Custom Harbor or bonded warehouse district. This free harbor is cut off from the rest of the water area by floating palisades in the river itself and the customs canal on the city side. Into this harbor vessels come and go, discharge their cargo in part or whole into the warehouses with which it is provided. These goods may be re-manufactured and re-shipped out again to foreign countries, without the application of a Customs tariff, or may remain in store until wanted within the German Empire, and upon which the duty is only paid when delivery out of the Customs district is made. In the case of re-shipment inland by canal or river barge, this Customs duty is paid at the point of destination. Ships may be extensively repaired with this free district,

and the advantage of being able to store whole cargoes and re-deliver in small parcels to suit customers and destination has created a very valuable additional harbor business."

#### The Ross Report

In 1914, Mr. W. G. Ross, President of the Harbor Board also made a report on this subject. In this he says: "A very strong feature in the administration of Hamburg is that of the Free Harbor which consists of an area covering about seven-eighths of the harbor area of the city; but is treated as a separate country in the matter of tariff. Goods coming into it or going out of it pay no customs duty. The area is cut off from the rest of the city by high walls or barriers, every entrance being guarded. Goods pass into Germany through the hands of Customs officials and the customs laws of Germany apply. Goods from this area go out by sea to all the earth unhindered, so the raw materials come in free to factories maintained within the walls and the finished product goes out by sea unhampered by tariff imposition. Goods may be stored in the warehouses any length of time, and re-shipped without the payment of duty. If shipped to any port in Germany the duty is paid only at the time of delivery from the free harbor. The privilege of storing whole cargoes duty free, from which small orders may be delivered at any time