

east coast, in spite of the great difference in distance. The reasons for the above are: (1), the shipping expenses are greater at Hull than in the Firth; (2), that while from these two places return cargoes may be obtained, there are none to be found at Yarmouth; (3), that from Cardiff and Swansea there is an important export trade across the ocean.

*Paraphrased.*

An example of the pernicious influence of the customs system of bonded warehouses is that the customs authorities make a prior claim for the satisfaction of duties owed by the person warehousing, not merely in respect of the goods named in the warrant, but also of all goods imported by him. It may, therefore, happen that the amount of duty owing exceeds the value of the goods in question, and the warrants become worthless. In a free port no such prior claim could be asserted, and the useful institution of warrants could be introduced.

"An example or two may be given here of the loss of trade caused (to Copenhagen), by the want of a free harbour. Take, for instance, saltpetre, which pays a duty. We do not use enough of it to import whole shiploads direct from South America; these go, therefore, to Hamburg, London, or other free ports, are there divided and distributed. Had we a free port the distribution could take place here. We should save the Hamburg charges for ourselves, reap the benefit, and secure freights for our vessels. If we take an original shipload of 1,000 tons, of which 300 only are required here, under present circumstances only 300 tons enter our port; with a free port 1,000 would enter and 700 go out, leaving a profit to the port nearly six times as great. Take, again, the wine trade. A great wine business, when wines from all parts of the world can be stored, blended, and otherwise prepared to suit the tastes of the markets, can only be carried on with the help of a free port. Such a trade would be invaluable for our steamship companies, and might make an opening for our own fruit wines. For this purpose, however, it is necessary that customs operations should be limited to those articles really consumed, i.e., which are actually imported for consumption in the country.

"During the negotiations attending the entry of Hamburg into the Customs Union, one of the principal firms there expressed themselves as follows:

"Since the abolition of the excise duty upon spirit, our business has increased so much that but a small portion of our turnout is consumed in the country. Our position as a free port has alone sufficed to lend this importance to our trade with Great Britain, France, Holland, Spain, Portugal, Italy, and several transatlantic