

control for waste of time and trouble, especially as regards goods imported for subsequent re-exportation. The result is no gain to the revenue, but simply an aggravation of the difficulties caused by foreign competition.

"A free port is a harbour with an adjacent area of land, which the State declares to be emancipated from customs control. In its eyes it constitutes a slice of foreign territory, with which the customs authorities have no concern. Within the privileged district goods may be imported, stored, handled, worked upon, and finally re-exported, without those authorities having any voice in the matter. Not only could business now successfully carried on under customs restrictions be put upon a still more favourable footing by the help of such a port, but many which are at present incapable of forming remunerative undertakings would be changed into profitable enterprises.

"A free port (in this sense), is not one exempt from dues, but only from customs. The same port dues may be charged as in the ordinary portion of the harbour, of which the free port forms a part. Its object, however, would be defeated were not the said dues to be kept as low as possible.

"Bonded warehouses undoubtedly afford considerable facilities for both inland and foreign trade; at the same time they are but make-shifts when compared with a free harbour. All the advantages they offer are shared to a greater extent by the other, and any possible disadvantages connected with the latter exist tenfold in bonded warehouses. These are, in fact, merely portions of a free harbour, hampered by restrictions and expenses unknown to the latter; the continued customs inspection (or waiting for inspection), the limited business hours, the contracted space render all transactions difficult.

"At the time of the entry of Hamburg into the German Customs Union, attention was drawn to the fact that the mercantile importance of the town lay, not in its situation, but in its free harbour. Goods were actually brought far out of the most direct and, in other respects, cheaper route to their destination, in order to profit by the conveniences afforded at Hamburg for the various operations, inspection, sampling, sorting, repacking, etc., to which they could there be subjected in freedom from customs interference.

"That distance is far from being the only consideration in the fixing of freights may be seen from the timber freights between the Baltic and England. The distance to the Firth of Forth, to Hull, or to Yarmouth, for instance, from the Baltic, are nearly the same; yet freights to Hull are, as a rule, 10 per cent. higher, and to Yarmouth 20 per cent. higher than to ports in the Firth of Forth, while freights to Swansea and Cardiff are no higher than to places on the