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A
L E T T E R
TO A
F R I E N D
ON
Commerce and Free Ports,
AND
LONDON-DOCKS.

L O N D O N :

PRINTED IN THE YEAR 1796.

SEATTLE

A. C.

COMMERCIAL

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INTRODUCTION

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INTRODUCTION

It is about twenty years since...

all these business so much...

INTRODUCTION.

It is about twenty years since...

THE following is a Copy of a Letter, written to a friend at his request, and intended only for his private information.

It contains a hasty sketch of the heads of a conversation, on two or three questions interesting to commerce, port-accommodations, and the principles of a free trade. It was written under every disadvantage, on the pressure of a particular moment, that would neither admit of delay or correction.

The Letter was never intended for publication, and nothing but the peculiar circumstances of the present moment could have apologized for the circulating

INTRODUCTION.

culating a few copies into private hands. No liberties have been taken with the Letter; and it is hoped, that the same may be received under the impression and circumstances with which it was at first written, and as intended to convey general hints and out-lines in favour of plans, at present under public discussion, that may tend to public utility.

London,
March 26, 1796.



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A LETTER
TO A FRIEND
On Commerce and Free Ports, and
LONDON-DOCKS.

London, Aug. 16, 1795.

DEAR SIR,

THE following detached hints I have drawn up at your request hastily, in consequence of a conversation on the evils of the port of London, and on the general interests of commerce and revenue; and how far the interests of both were connected with, and would be supported by, the formation of Wet Docks for the port of London, if connected with a bonding system or a plan of Free Ports. Time, and the objects in view being pressing and requiring dispatch, would not permit more than conveying the hasty outlines of general hints.

B STATE

STATE OF ACCOMMODATIONS FOR THE PORT OF LONDON.

The Legal Quays

are limited in extent, inadequate to wants, and incapable of extension.

The same as at the rebuilding of London in 1666, extending only from the Tower to London-Bridge, and only 1464 feet long.

Sufferance-Wharfs

are dispersed, inadequate in extent, situations, and convenience, insecure from fire, weather, and plunder. A conversion of them into Legal Quays no extension, but only constituting a sufferance into a right.

The River

inadequate to the shipping that frequent it: about 9,900 coasters.

3,500 vessels from foreign parts.

13,400 vessels arrive annually in the port of London.

The

The general Moorings for ships lie between London-Bridge and Limehouse; some few at Deptford, some few at Blackwall. — Moorings may be divided into three stations:

Upper, for smaller ships.

Middle, for larger ships.

Lower, for large ships.

Not more than 800 sail of ships can lay at Moorings afloat at low water.

Navigation is frequently impeded.

Accidents, Losses, and Delays, are frequent and annually to a great extent. They are as fatal to commerce as they are to revenue.

Shipping, Commerce, Revenue, have greatly increased, for the port of London, within this century, and bears a considerable proportion to that of the whole kingdom, while London possesses the worst accommodations of any trading-port. To you it would be needless to state the tables of their respective proportions and increase.

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Docks are necessary for the accommodation and reception of shipping; and are so projected as to permit ships to unload in them, either on the dock-quays, or into lighters, if cargoes are wished to be landed at the present Legal Quays or at other wharfs.

A Lighter-Dock is attached to the Wet Dock, for the admiffion and accommodation of a number of lighters to go in or out every tide.

Ships in Dock will discharge with more facility and dispatch than in the river, and the risk and distance of lighter-navigation to the present Legal Quays much less than the present lighter-navigation in the river to the Legal Quays.

HINTS

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HINTS ON COMMERCE, REVENUE, AND FREE TRADE.

Under these general outlines I shall confine myself to those great leading points which I conceive are immediately interesting to government.

I. The encouragement and extension of commerce.

II. The security and increase of revenue.

Commerce is the parent of revenue, and whatever tends to give encouragement and dispatch to the one, will give security and increase to the other.

Regulations for the security and collection of revenue will easily suggest and accommodate themselves to the commerce, in all its various shapes; and they might be so modified as to give freedom to import and export, without deranging the operations

rations of commerce, the security of revenue, or the convenience of the state. Two plans present themselves;

- I. The making of England a great depôt for commerce, by a general bonding system.
- II. The making it a general Free Port.

A general bonding system to transfer the payment of duties from the time of import to that of consumption would little change the present state of things respecting commerce and revenue, beyond the momentary delay of a few months in the first year, during the change or operation of old systems for new. Exchequer-bills, or a vote of credit, would unite the two plans, and link together the great chains or relationship of revenue to commerce. Succeeding years would regulate themselves.

To revenue it would give greater ease, convenience, and security, than in its present insecure and expensive system, which is so much open to speculation,

lution, evasion, and plunder, though under the eyes of a legion of inspectors and watchmen. The security would be good, by the possession of the commodity itself, and the bond of the importer. The experiment has been tried in the East-India trade, which forms one of our great commercial pillars, and also in rums and in tobacco, without loss, detriment, or inconvenience, to revenue.

To the merchant, it would give command of capital and increase of faculties; and, in proportion as he threw them into his commercial concerns, his industry and enterprize would tend to give a spur to the seeking and creating new markets, and the giving increase to public revenue.

In the present state of things, revenue calls for a large portion of the capital of the merchant, by anticipating the payment of duties at the moment of importation, where they are frequently locked up for months, until goods are landed and markets of consumption or exportation are found for reimbursement. On exportation, delays farther arise from the recovery of drawbacks, independent of

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frequent losses of duty when paid on importation, occasioned by accidents and fire. In many cases, duties have been imposed where ships have been lost before goods could have been landed. A system founded on bad policy, as revenue implies a toll on a commodity, to be returned in the price of that commodity on its consumption.

The revenues of England, which are above sixteen millions a year, are partly internal and partly commercial. The revenue from customs forms about six millions a year; of which, about four millions (or a fourth part of our annual income) is the neat sum paid into the Exchequer. Drawbacks and expenses form the other two. The delays, expenses, and temptations, occasioned by a system of heavy duties, drawbacks, and bounties, are great and many; and, perhaps, greater than would attend a more simple and less complicated system of forming England as a great commercial depôt, and of laying a small regulating duty on import, as a kind of register-commerce, and another small duty on exportation,

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At present, government borrows of the merchant, annually, a capital of six millions, by anticipation, until consumption or exportation takes place; and the drawbacks on the latter are recovered with great delays and heavy charges. It may admit of a question, whether this momentary anticipation of duties and delays on drawbacks are not more injurious to the interests of commerce and the welfare of the state than any benefit to the revenue, by the temporary command of capital? I conceive it better for government to make occasional temporary loans, at an interest on the security of the revenue, than to continue the present system. The merchant must and will apportion his returns and gains, not on the cost of the commodity only, but on the advance and delays he meets with in the deposit and return of his duties; and, instead of meeting a home-consumption or a competition in foreign markets, on the lowest rates and fewest charges, he circulates his commerce under the dearest rates; creating, at the same time, the heaviest drawbacks upon natural industry and national advantages. We hamper

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per commerce for the sake of revenue, instead of encouraging the one to promote the other.

To the natural expense of collecting and watching the revenue on commerce, must be added a great additional one of an armed fleet, of cutters or vessels, to enforce and protect the revenue-laws.

With all the guards to revenue, and caution in its laws, a very extensive commerce is carried on through the crevices or defects of those laws; and we discover how much is done to evade, lessen, or postpone, the payment of duties. Guernsey forms a great depôt of commerce for England, both to the fair trader and to the smuggler; and, in peace, Dunkirk and Ostend became those great depôts to avoid or postpone the payment of duties. Merchandizes are housed without duties by the fair trader, until the moment of consumption, or until convenience suits a regular import and payment of duties into England. To the illicit trader, they are perpetual magazines or store-houses, and within a few hours sail of an extensive sea-coast in the channel.

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An illicit commerce is carried on to England to an immense extent. The reduction of the duties on tea gave the strongest proof of the magnitude of its consumption, and the extent of its trade, in its legal and illegal form; the former being now increased from six to twenty millions of pounds. High duties have and ever will occasion similar examples, and occasion indirect, instead of direct, channels of trade. The temptations and evasions are too strong to be suppressed by penalties and risks of seizure. The revenue is defrauded, and high duties form, as it were, part of the capital of the illicit trader; and his gains, deducting all his risks and losses, always interfere with the fair trader and with the revenue. Smuggling commands an immense active floating capital, and is so extensive, and reduced to such a regular system, as to be currently insured, at a regular premium, by a saving in the duties.

The best security against illicit trade is a general reduction of duties on a bonding system, and to impose duties instead of prohibitions on many articles of commerce, that can now only be imported for exportation,

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exportation, and are only exported to be smuggled back again without the duty. It would secure and increase revenue, lessen the expenses of guarding and watching of it, and all that system of connivance, which is frequently too strong and too alluring to resist in the very officers, whose duty it is to protect and to detect.

It may admit of some consolation, that this illicit commerce, if it did not infringe on revenue laws, would be, and often proves, in many other respects, beneficial to the general interests of the country, at the time it was lucrative to the undertakers.

In wars, the effects of a free trade are strongly marked by the increase of a legalized trade in neutral bottoms, who become the great carriers in a regular line of commerce, with all the duties that are imposed upon it in time of peace, from the security of their navigation, and at a less expense. States are frequently obliged in war to relax in their systems, and to encourage or receive their stores, supplies, and commerce, in neutral bottoms. Holland, Ostend, and Hamburg, are also strong examples

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amples how far a free trade or a neutral port, in times of war, have and will encourage and protect commerce, and how much nations give to foreigners what might have been secured to themselves in peace or other systems.

In the present state of things, England approaches nearer to a free trade than most are aware of. Duties and restrictions imposed for revenue, encouragement to navigation and manufactures, or to counterpoise the natural advantages or restrictions of other states, have only created similar returns. The clogs have been mutual, and the weights in each scale nearly equipoised, while the whole system of high duties, drawbacks, and bounties, have tended only to create intricacy, expense, and evasions. The competition or rivalry arising from the advantages of industry, climate, products, and an exchange of wants, continue the same, and break through all the impediments which restrictions, taxes, and wars, impose upon commerce.

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It is, I conceive, a mistaken idea to make commerce wholly subservient to revenue and regulations. It checks industry and the operations of trade. Commerce is little else than a mutual exchange arising from climate, products, and a circulation of wants, increased by the calls of industry and the progressive improvements of society. Industry is the great spring to wealth and to property: to man it is as bountiful as nature is to vegetation, and possesses within itself the means of creating and supplying wants. Commerce is only the medium of circulation, or a large field open to the faculties and advantages of every state, and where every nation, by a mutual exchange of wants and of products, might become great gainers without a loss, and promote, by those exchanges, the prosperity and welfare of each other. Commerce needs not the aid of monopolies, wants, or regulations, to support it; industry, freedom, and peace, are its best supporters.

Whoever has watched the operations of commerce will find that it has prospered in proportion
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as the principles of free trade have been adopted, and those states have generally thriven the most that have encouraged shipping, which has, in its turn, given birth to industry, wealth, commerce, and revenue. With these principles, states have possessed means or powers of import, export, or consumption.

Holland, a country small in extent, frugal in its manners, almost without natural products, and preserved from inundation by art, at a great annual expense, commanded an extensive line of commerce, until convulsed by political considerations. Its trade was free, and the courses of exchange, its usual attendant, have been extensive and beneficial. Its duties on import were small, and also small on export, and, from governing itself by natural or occasional wants, or advantages of markets and exchanges with other countries, it became the great carrier, importer, and exporter, for them.

England has products, faculties, and advantages, natural and acquired, which few nations possess. She has little to fear on any change or revolution
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in the commercial system of Europe. If monopolies have been adopted by European states as the best means of making and securing natural or cultivated advantages, England has held the balance in the scale of commerce; and, in proportion as the restraints and fetters upon commerce are removed, she will retain and extend those advantages.

Great as the trade and revenue of England are, compared with former times and other countries, they might be greatly extended and improved by giving encouragement to industry on pacific plans and of more liberal commercial systems. Industry, want, and consumption, have gained such an ascendancy in Europe, that, independent of its convulsed political state and its exhausted resources as to war, it will be alive to all the calls of industry on a peace, and the checks that have been given to cultivation and consumption will give the most powerful calls for supplies in a more tranquil state.

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The principles of commerce have changed and are changing. They have, within this century, both undergone and created great revolutions in the state of Europe, and will undergo a still farther change; and it is more than probable that the navigation of the Scheld and the Meuse will be the result of the war. It becomes an object of policy and of consideration how far England will seize the moment to open its doors and avenues to a free trade, as a counterpoise, either on a general or a partial scale of a free trade. London, from its capital, situation, and consumption, as well as vicinity to foreign markets, will always command the means of great depôts; but there may be cases where Free Ports in the channel, to touch at, or to land and load for foreign markets, might be made with advantage, from dispatch in time, economy in charges, and be more within the command of winds.

France and the other European powers, from necessity and rivalry, will open their doors to trade and supplies under fewer restrictions than formerly, and will encourage shipping, commerce, agriculture,

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ture, and industry, as the sources of wealth and of revenue. Our present commercial systems will undergo a revolutionary change, not so destructive or convulsive as political revolutions, but such as will tend ultimately to encourage industry, and the circulation and supply of national wants; and that state is the wisest that the soonest prepares to meet the growing charges in commercial systems, by *giving*, instead of *following*, examples. Monopolies were formerly privileges in favour of industry, they are now burthenome to the state, and their jarring interests are the greatest bars to national improvements. I am aware that the principles of a free trade will agitate a number of questions which are strongly rivetted by habits and prejudices, independent of private interests; but apprehensions are sometimes stronger than evils, and those very objects that were once the sources of alarm and of jealousy have often proved, and been resorted to at last, as the best friends to private industry and public advantage. Machineries, &c. have rather created, in manufactories, a want of hands, than thrown them out of employment.

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From the state of Europe, England might become the great importer and manufacturer. Its Free Ports would form the magazine, and the world become its customer. The port of London might become one of the great depôts of commerce for internal and external purposes, and Wet Docks form the great key-stone, and give

To Shipping, safety, dispatch, and economy:

To Commerce, convenience, security, and dispatch:

To Revenue, protection, security, and increase.

Government would be benefited by the formation of Wet Docks for the port of London, as ships would discharge in nearly one-third of the time they do at present. Cargoes should be landed as soon as possible after arrival. Whatever gives dispatch gives security, and prevents evils; and no agent on such a plan would be so powerful as a greater increase of landing-officers for the facility of commerce and the increase of revenue.

To revenue it would give increase and economy, as well as dispatch and security in its collection:

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More inspection and more control :

More command and control over officers :

More convenience to the officers themselves :

Fewer temptations and opportunities to smuggling and plunder :

Occasion fewer losses, fires, and accidents, so detrimental to property, to commerce, and to revenue :

Be a saving in salaries : and

Lessen the necessity of a legion of subordinate officers, appointed to watch the ships and goods on-board, or in the transit of goods in lighters until they are landed and duties are ascertained.

About 1600 men are employed in the Customs for the port of London, and the major part of them are employed on river-duty as watchmen. On-board of East-Indiamen, about thirty officers are appointed; and on-board West-Indiamen, five or six, who are *generally* fed and maintained at the expense of the ship. Other ships are in proportion. Subordinate officers are often one of the greatest causes of speculation and plunder.

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The evils of the port are great and many, and merchants and revenue-boards have their time taken up, not in the operations of commerce, but in the petty details of petitions and references occasioned by the evils and delays of the port.

Docks would little derange revenue in its operations; commerce not seeking a new port but accommodation in an old one. They would also condense the seat of commerce and of revenue by the dispatch they would create at the very moment means were acquired for their extension.

Docks are become necessary as a common port-accommodation, to give security to shipping, commerce, and revenue, and to give freedom to the navigation of the river. If a bonding-system was adopted, they would be requisite; but, if connected with the greater system of a free trade, and to form part of a great whole, they would be indispensably necessary to favour the extension of that object.

Docks

Docks would also form one of the great links in the chain of commerce, and unite more closely our internal with our external trade.

Canals and roads form the great arteries of internal commerce.

- They are approximating to London;
- They will aid agriculture and cultivation;
- Give birth to industry;
- Give facility to old, and extension to new markets.

Docks would increase the trade of England and of London; and there would be no danger of the rivalship of London with the out-ports.

Whatever invigorates commerce will extend to both, and create new calls to industry. Wants would create wants, and give the means of supplies.

I have said little about the *locality* of Docks. — Wapping has its accommodations from its vicinity to the city, the custom-house, and the seat of commerce;

merce; and of giving to POSTERITY convenience, economy, and dispatch. I have also stated little about the necessity or advantages of them. Evils and benefits must speak for themselves. Private interests have natural claims of attention; the interests of commerce and of revenue have also similar claims. The injuries they annually sustain from accidents, losses, and delays, are great, and many, and more than would, in two or three years, purchase the fee-simple of most of the private interests that would be affected by the formation of Docks.

Private interests are few; some of them are permanent and freehold; others are local, for lease, life, or temporary services. The city would have its rights or its tolls little affected. The quays and warehouses on each side the river are out of its limits or jurisdiction, and form the great depôt for that commerce, which she cannot ship, land, or house, within her own boundaries. London commands three-fifths of the commerce of England; and its legal quays cannot accommodate one-fourth of its trade. It is better, therefore, I conceive, for commerce

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commerce and for revenue to satisfy private interests, than to suffer annually great permanent injuries.

I am, with great regard,

Dear Sir,

Your sincere and obedient

humble servant,

* * * *

THE END.