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*DOMINIONS Royal Commission Think Efforts Should be
Made to Impress Underwriters with Justification for Lower Rates,
Otherwise the Canadian Government Should Consider Question of
Undertaking Liability for Extra Insurance Charges Now Imposed.*

THAT a difficulty in the way of the more extended use of Canadian Eastern ports lies in the heavy insurance rates now charged, was one of the representations made to the Dominions Royal Commission during its recent tour in Canada. These charges are: (a) On cargoes carried to and from Canadian Eastern ports; (b) on the hulls of vessels using them. In the fifth interim report of the Commission, just published, the following comment is made on this matter:—

"We were told that these rates are unduly high in comparison with those in force at the Atlantic ports of the United States, and in particular (1) that underwriters charge an extra premium on hulls of tramp steamers for one or more voyages to the St. Lawrence during the summer season; and (2) that this extra premium is further increased for voyages during the last two months before the close of navigation.

"Our witnesses admitted that the navigation of the St. Lawrence presents somewhat greater difficulties than navigation to and from ports bordering on the Atlantic. But it is urged that the improvements made in recent years in the buoying and lighting of the St. Lawrence and by the construction of the new ship channel (which improvements have certainly been considerable) have not led to an adequate reduction in the underwriters' rates.

"A scheme has been suggested whereby the Dominion government should itself assume responsibility on account of the St. Lawrence risks for a period, say, of five years. It is contended that in the course of this period the government would ascertain exactly the extent of the additional risk involved, and that in the meantime extra shipping would be attracted to the St. Lawrence ports.

"We do not propose definitely to recommend such a scheme, as we are of opinion that in the first instance further efforts should be made to impress upon the underwriters the conditions which justify lower rates for cargoes and hulls to and from Canadian Eastern ports. We notice that amendment or alteration in the present 'British North America' warranty has been urged, not only by merchants, but also by one representative at least of the underwriters.

"If, however, these efforts fail we think that the Dominion government would be well advised seriously to

consider the question of itself undertaking liability for the extra insurance charges now imposed."

The depth of the St. Lawrence Ship Canal up to Montreal is at present 30 feet only though measures are now in progress to increase this depth to 35 feet. In regard to the necessity for deepening the ship canal the report of the Dominions Royal Commission says:—

"It is pointed out to us that even the depth of 30 feet is not available at all times of the year, with the result that sometimes (particularly in the autumn season when cargo is most plentiful) ships have to leave Montreal with cargo space unfilled. Figures were also given to us showing that some of the principal vessels trading to Montreal are so constructed that the difference of one inch in submersion means an average difference in cargo of 53 tons. In view of these figures it is clearly urgent that plans for a permanent increase of the depth of the St. Lawrence ship channel should be framed and carried out as speedily as possible.

"We learnt in the course of our enquiries at Montreal that the problem involved is not merely one of deepening. It involves, in particular, close examination as to the effect of dredging and other works on the water level of the St. Lawrence. This question is one of much complexity and has already engaged the attention, not only of special commissions appointed by the Dominion government, but of at least five expert engineers who have reported to the Shipping Federation of Canada."

Discussing the possible alternative routes for the shipment of Canadian produce and particularly of grain, the report says:—

"Great expectations have been built up as to the results likely to accrue to Canada, and particularly to the development of the West coast, as the result of the opening of the Panama Canal, but so far these expectations have been by no means realized.

"No doubt the abnormal conditions arising out of the war have contributed largely to this disappointment, but it was reported to us in Victoria and Vancouver that one cause lay in the fact that no goods from Eastern Canada which are shipped via United States railways to eastern United States ports, for shipment thence by vessel through the Panama Canal, can proceed in bond. Cargo has to be broken and transhipped at the United States