

\$20,000,000 or \$25,000,000 in improving the navigation of the St. Lawrence; and every recommendation made by the underwriters has been carried out by the Canadian Government at their own expense; yet the underwriters have never made any substantial concession off the extra rates which they charge for the St. Lawrence, even up to the present time.

By Hon. Mr. Bostock:

Q. How do they explain that?—A. They claim that the risk of fogs and ice in the early part of the year and also in the late fall makes navigation dangerous. Now, we have not lost a steamer in the St. Lawrence limits—total loss—for some time; but unfortunately there have been losses outside of Halifax and outside of St. John. But the navigation of the St. Lawrence from Father Point to Montreal has been made as safe as it is possible to make it.

By Hon. Mr. Bennett:

Q. What about the collision of the *Empress of Ireland*?—A. That was below Quebec. That was a pure accident—an accident that might have occurred anywhere.

Q. Has there been any since then?—A. Practically none. There have been minor accidents, but no serious accidents. The suggestion made by the underwriters in the early days—I am going back now quite a number of years—was that our lighting was insufficient. It was; but that has been absolutely remedied. Our buoying system was inferior; that has been remedied. Night navigation between Montreal and Quebec, which was considered impracticable 20 years ago, is now in full use, and ship captains will navigate the river between Montreal and Quebec by night as well as by day. All that has been done at the expense of the country, without any corresponding reduction in insurance rates. Some ten years ago when Mr. Brodeur was Minister of Marine, and Mr. George Washington Stephens was the Chairman of the Harbour Board, an effort was made to induce the underwriters to make some concession. Mr. Stephens spent some considerable time in London, and Mr. Brodeur was in London at the same time. We interviewed the Committee of Lloyds, but we were never able to make any progress. However, I think the blame is our own rather than the underwriters' because if you tackle a subject and then drop it of course naturally the underwriters are not going to make any move. The move should have been made on this side, but no continuous effort has ever been made. Naturally it is a technical subject, and there are very few professional shipping men, even, who understand the Marine Insurance question and who can answer the questions put to them by Lloyds. Mr. Brodeur and Mr. Stephens and I thought that question out, and I made this suggestion: I claimed that the extra Marine Insurance rates charged upon Canadian shipping and Canadian cargo was more than sufficient to pay the losses at any time during the season of navigation, and that they were really making a profit of the excess rates. It was a very difficult thing to estimate what those premiums of insurance amounted to, because it is not a fixed rate; the rate varies according to the commodity and according to the time of year; but I took a valuation of all the steamers in the regular line and put down what I considered would be the amount to cover the premiums that the steamship owners themselves paid. Then I took the value of the export cargo as a basis of the rate that would be paid on the cargo—of course the valuation for insurance is based upon that value—and I took the average rate on that cargo as a basis for calculating what premium that cargo represented would cost. Allowing an ample margin, I figured out that we were at that time paying something like \$1,500,000 more than the losses amounted to in a year. Naturally the underwriters would not accept my figures, but there were no other figures available, and I don't know that anybody else ever tackled the subject from that standpoint. It is a question of payment for services, mainly. The underwriters say, "We are entitled to 2 per cent or more on the steamers, and we are entitled to a fluctuating rate." The