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our last Report, to provide Chesterfield with direction-finding apparatus has resulted in an installation at this station, which was in commission from the beginning of the 1933 season.

The Canadian Hydrographic Service continued during the season their work of charting Hudson Strait; their operations were confined to the south-east coast of Baffin Island. We understand that, as the result of these operations, it has been established that the "Griper rock", which is marked doubtful on existing charts at a position 13 miles off the mainland abreast of the Middle Savage islands, does not in fact exist.

12. The rates of additional premium for vessels making the voyage to Churchill between August 10th and October 7th are still very considerably in excess of those obtaining for the voyage to Montreal. Last season a vessel fitted with a gyro compass and direction-finding apparatus and insured against all risks would, given that the vessel was valued at £10 per ton, have paid for the suspension of warranty in respect of a voyage to Churchill an amount six times as great as that payable in respect of a voyage to Montreal at the same time of year.

13. In our opinion, the evidence, which has now been accumulated by us and which has been published in our reports, tends strongly in the direction of the view that during the open season of navigation for a well-found vessel the risk of casualty is little, if any, greater on the Hudson Bay route than on the voyage to Montreal by way of the St. Lawrence. The difficulties of shoal, rock and bending channel, which occur on the St. Lawrence, have no parallel in Hudson Strait; there are fog and icebergs on both routes. The magnetic difficulties on the Hudson Bay route are non-existent for a ship equipped with a gyro compass and, in any case, are largely mitigated by direction-finding. It would, therefore, be difficult to appreciate the reasons for the disparity between the rates for the suspension of warranty in respect of Churchill and Montreal, if these rates were intended only to reflect the difference in the risks involved. We recognise, however, that Underwriters conduct their business on the basis of recorded results and it must be admitted that, as long as the route is used by comparatively few vessels, a total loss may more than account for the whole profit of a season.

14. We are glad to report that the Joint Hull Committee, having in mind the experience obtained and the improvement of conditions achieved by the Canadian Government, have recommended a reduction of 10s. per cent. on the insured value in the rates of additional premium to be charged for the suspension of warranty

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on the Hudson Bay route. This reduction is in respect both of vessels fitted with a gyro compass and of vessels not so fitted, the advantage of 10s. per cent. on the insured value in favour of the gyro compass being maintained.

15. At his annual interview with the Chairman of the Joint Hull Committee, our Chairman pointed out that the disparity between the rates for the suspension of warranty in respect of Montreal and Churchill would still be considerable in the coming season, but the Chairman of the Joint Hull Committee urged that, owing to the loss of the "Bright Fan", the loss ratio on the Hudson Bay route was such that a further reduction in the rates of premium was not feasible for the present. The Chairman of the Joint Hull Committee, however, indicated that, if a considerable number of vessels visited Churchill during the 1934 season and there was no serious loss, the Joint Hull Committee would be prepared to give favourable consideration to the question of a further reduction in the rates of premium.

16. The occasion of the present reduction in the rates of additional premium has been taken to apply the same set of conditions to the suspension of warranty on the Hudson Bay route which already apply to suspensions of warranty on the St. Lawrence and elsewhere. The document, in which these conditions are stated, is of a technical character and cannot be briefly explained. The effect, however, is to grade the risks insured in three classes instead of in two as previously. For a ship, valued at £10 per ton, the charge for the suspension of warranty will be at the rate of 40s. per cent. on the insured value, if the ship is insured against total loss only; the charge will be at the rate of 50s. per cent. on the insured value, if the ship is insured against total loss and certain additional risks; the charge will be at the rate of 60s. per cent. on the insured value, if the ship is insured against all risks including total loss. In the last two cases the total charge is calculated partly on the insured value of the vessel and partly on the gross registered tonnage. The above charges will be reduced by 10s. per cent., where the ship is fitted with a gyro compass. As indicated in paragraph 5, the increase of rate by 25 per cent. for the period October 8th to October 15th is maintained.

The great majority of the vessels on the Hudson Bay route will, on the basis of last season, be insured either against all risks including total loss or against total loss only.

17. As in the past season the new rates are minimum rates intended to apply only to well-found vessels. In this connection we desire to call the attention of all those who are interested in this newly developed Empire route to the desirability, especially in the

MEIGHEN PAPERS, Series 5 (M.G. 26, I, Volume 166)

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