

CANADA INTERESTED IN UNITED STATES LEGISLATION.

The commercial interests of Canada and the United States are so closely interwoven as to make the war now being waged by our neighbours a matter of much concern to us. It was thought by many that the outbreak of war would favourably affect the trade of this country, and that Montreal particularly would derive the benefit of the deviation of freight from the western country and that the foreign shipments would take the Canadian route instead of that via New York or Portland.

Even if the war and fear of the Spaniards should fail to divert the desired trade to Canadian ports, we may now reasonably expect to receive much benefit from the proposed United States tax on foreign shipping. No better plan could be devised by Mr. Dingley for advancing the commercial interests of Canada, and it is to be hoped the remonstrances of the British and German shipping agents in New York will, in this instance, prove futile.

Let the freight which now finds its way to New York be once diverted to Montreal, and our railway managers and shipping men can be relied upon to retain some part thereof, even after the conclusion of the war.

A special tonnage tax on vessels entering the ports of the United States means much to Canada. But it also means much to the large steamship lines now using New York, Boston and Portland. The representative of the Hamburg-American Line has been illustrating to the Chairman of the Senate committee what the suggested tax would cost one of their large freight steamers. The vessel named, of some 8,000 tons net, would have to pay about \$1,600 for every entry into the port of New York. Eight trips yearly (her average trading 'tween ports) would amount to a total yearly tax of \$12,800.

The argument being used by United States merchants against the imposition of this war tax is that the friendship of Great Britain should be cultivated, and no harassing obstacles to the trade she largely controls be placed in her way just at the present time, when the United States needs friends.

However, the special tax on insurance (elsewhere referred to in these columns) has not been protested against by those interested therein. On the contrary, they have signified their great willingness to endure special taxation and to assist the Government in any and every way; and it is just possible that, even if the proposed tax on shipping should have the effect of diverting trade to other ports than New York, the Senate will see no reason to grant exemption to foreign shipping when taxing foreign insurance companies.

Montreal can be depended upon to take good charge of all the outgoing traffic coming her way. The expected business will offset the injury inflicted upon us by this war: the almost complete destruction of our coasting trade and the enforced idleness

of a large fleet of vessels in the Maritime Provinces; the death blow to the trade hitherto carried on with the north side of Cuba and Puerto Rico; the temporary cessation to the trading by large schooners with the West Indies and small South American ports; the injury already wrought to our lumber business, and the demoralization of the shipments from our Atlantic harbours of pilings, laths, shingles, potatoes and produce of every description from the provinces to Havana.

Those who will give a little thought to the question will see that war has a blighting instead of beneficial effect upon trade, and, if cruel necessity compels the United States to devise means for increasing the annual revenue by ninety millions of dollars, we need not mourn if the consequent imposition of a special tax on ships entering United States ports is regarded by our Republican neighbours as "a discrimination in favour of the Canadian route." It will enable us to bear with greater complacency losses arising from the disturbance of ordinary trade conditions.

BOMBARDMENT INSURANCE.

British Underwriters are undoubtedly men of unique talents, and possessed of minds of unique fitness. They have the business sense to a remarkable degree. Three or four weeks ago "bombardment insurance" was a suggestion that any New York Underwriter would have laughed at. There was no demand for it, who wanted it? And while the demand for such protection appeared not, the Underwriters at Lloyds, who know all things, cabled over to their New York brokers that they were prepared to write bombardment insurance risks to any amount! The brokers cabled that there was no demand for such insurance, but, in case of a demand arising, they might cable rates any way. The quotations received were a fairly low rate for three or six months. As soon as they were received came a rush of business. Boston started the boom, then New York fell into line followed by all the coastwise towns. Millions of dollars in bombardment risks have been written. One large New York property owner directed a firm of brokers in New York to cover him for \$400,000 from London companies. They promptly complied at a rate of 1 per cent.

The New York companies, seeing what fat profits Lloyds and the other British companies were making, naturally wanted to fall into line, but the Superintendent of Insurance of the State of New York wrote: "The authority to insure against damage resulting from bombardment if fire did not ensue is clearly not contemplated by the insurance law of this State providing for the organization of fire insurance companies and for the admission to this State of companies organized in other States and Countries."

In conservative Massachusetts, the Governor suggested that the legislature enact a law permitting bombardment insurance as follows:—