

ant, "does not prove any event to be a cause;" but he, nevertheless, appears to think the decline "the effect of baneful legislation," for "by 1830 all important maritime countries, except France, had been released from discriminatory duties laid by us upon their shipping." It was in that year that a treaty was made with Great Britain, giving her certain advantages in favor of her colonies which were to be reciprocated by like advantages to our colonies," says the essayist, "when we had none, and when it would seem, under our form of government, we never could have any." With a few spasmodic stoppages the foreign carrying trade of our neighbors across the great lakes, has gone on losing, more or less rapidly ever since the year last mentioned.

As long ago as 1815 was begun the withdrawal of protection to the United States mercantile marine. In that year the United Kingdom was released from discriminatory *ad valorem* duties, and the release of other important countries followed: Spanish North American Colonies, 1819; Russia, Netherlands, Sardinia, and Republic of Columbia, 1824; Denmark, 1826; Bremen, Hamburg, etc., Sweden and Norway, and dominions of the Pope, 1827; Brazil and Prussia, 1828; Austria, 1829; and in 1830 "we made the famous treaty, before alluded to, by which we gave up these duties on merchandise in British Colonial bottoms in return for like favors for our own colonial shipping—save the mark!"

From 1830 to 1855, being able to produce the material cheaply for wooden ship-building, having skilled labor, capital and seamen, the American ocean marine was doing pretty well, losing ground but slowly— $\frac{1}{5}$ of 1 per cent. annually—and that was the time of the fast American tea clippers and of American ocean packets. In 1855 about one-fifth of the world's ocean carrying trade was done in steamers, and in that year the States put forth 243 steamers and 507 square-rigged sailing-craft, 750 in all. By 1860, however, while the steam-carrying ships of the world had reached 30 per cent. of the total, the States launched but 410 craft, of which 264 were steam and 145 square-rigged sailers. The majority of the steamers, however, was for the coast-wise trade, so that American ocean carriers were on the decline.

Official statistics show the total tonnage of the United States in 1860-1, the first year of the civil war, to have been 5,385,000 tons, of which 2,496,000 tons was employed in the foreign trade: 2,704,000 tons in the coasting trade; and 283,000 tons in the whale and cod fisheries. By 1865, from various causes, mostly arising out of the rebellion, the total tonnage had declined to 4,082,000 tons. The coast-wise tonnage had increased slightly it is true, but foreign trade tonnage had lost 60 per cent., the whale fishery 25 per cent., and the cod fishery about 8 per cent.

Year.	Foreign trade.	Coasting trade.	Whale and Cod fisheries.
1861	2,496,894	2,704,544	283,580
1865	1,009,151	2,865,323	117,838
Loss....	1,487,743	839,221	165,942

Lieut. Kimball, to a great extent, mistakes the nature of the difficulty. American shipping does not require to be hemmed in by restrictive laws—of these it has more than

enough—it wants to breathe the air of freedom. The heavy consular fees which he points to are a discredit to the American nation, and they ought to be reduced to a reasonable figure. If American ships, as is alleged, truly we believe, cost so much more than English as to make competition impossible, the remedy is to remove the restriction which prevents Americans buying foreign vessels. If the interest on capital invested in American ships is greater than that on capital invested in English ships, the case is not exceptional; the same comparison would hold in any other kind of enterprise. That American vessels, in New York, should be burthened with a tax of $2\frac{1}{2}$ per cent., while English vessels are taxed only one per cent. on their net earnings, is discreditable to American finance. Another difficulty stated is that seamen's wages are higher in the States than in England; to which we answer, that, in an international competition, the Americans cannot afford to pay more, since to do so is incompatible with success. And Mr. Lieut. Kimball assures us that plenty of labor can be got in the States at English prices. Protection will never revive American shipping. Bounties, which the writer recommends, would never make a self-sustaining commercial marine. Lieut. Kimball's figures are useful as showing the decline of American shipping; but his proposed remedies are useful only so far as they recommend the removal of burthens; they are mischievous when they encourage the hope of bounties, which are not likely to be got.

FIRE PROTECTION AND FIRE INSURANCE.

The true relationship between water supply and fire insurance is that the former should lessen the hazard to be protected by the latter, and that, in consequence thereof, the rates of premium should be reduced. But an ample water supply is merely a means to an end, and it is essential that there should be promptitude, power and judgment in its application, else it is a deception and a snare.

1. Some towns provide the apparatus without the water, some the water without the apparatus, and some both water and apparatus without judgment in their care and application. And yet all these towns demand reduction of insurance rates, however imperfect may be the considerations they offer as inducement.

2. There is, however, in connection with fire protection, another snare equally deceptive and fatal to the fire insurance companies, viz: the practice, by some proprietors, of reducing the amount of insurance carried in consequence of their presumed safety from total losses.

3. In addition to these there is the self-deception which trusts so implicitly to the fire protection as to discard the protection of fire insurance altogether.

4. In turn there are fire insurance companies which have avoided or have discontinued business in places whose fire protection has proved delusive or has been proven ineffective because some other of the companies have been induced to reduce rates

below those warranted by the facts of the places.

5. There are many towns whose fire protective arrangements, however perfect, are rendered unreliable by the laxity or favoritism of the authorities in the enforcement of building laws and laws for the storage of inflammables and explosives.

6. In some of the provinces the fire insurance companies are specially taxed in various towns and cities for the maintenance of fire departments, not one of which is reliable in case of need.

In reference to all these places and these differing lines of conduct it should be enough to say that the successful prosecution of the business of fire insurance is dependent on a proper appreciation of the risks to be carried, the collection of proper rates, the issue of proper forms of policies, and the proper adjustment of losses. The basis is the proper appreciation of the hazards. If the insurance company is deceived by an appearance of fire protection which proves ineffective, then of course, the rates of premium it has charged will have proved inadequate, whether a fire has occurred or not, because to all the companies, except those whose business is confined to very small circles, the actual fire hazard of its whole business will assert itself in due proportion, just as effectually as though each risk could be measured in a liquid measure, and a certain proportion of the whole must run over the general receptacle.

It is therefore evident that the mere fact of fire protection is of no importance whatever, to the fire insurance companies if the hazards of the risk be accurately estimated and adequate premium collected, indeed, if the motto "the more risk, the more premium," were really in vogue, as it should be, then the companies would be interested in the increase rather than the decrease of hazard, because it would bring them a larger income with presumably larger profit on the same number of risks, and, consequently, with less labor and expense. The only limit in this direction is when an aggregation of risks causes a "conflagration hazard." Indeed, if the presence of this hazard were comprehended and rated, its existence would be for the interests of the companies.

It may surprise and offend some people to be told that all efforts on the part of managers of insurance companies, for the improvement of fire protection in any place, arise from either that patriotism which overcomes their business instincts, or from that ignorance which prevents them from properly estimating and assessing the hazard of risks as presented to them, or from that want of firmness which prevents them from insisting upon such rates as are adequate to the risks, or from the inability of the proprietors to pay adequate rates of premium. But we could not by any other process arrive at a proper demonstration of the point we wish to impress upon our readers, which is, that it is of absolute importance to the fire insurance companies that they should not be deceived by the appearance of fire protection where it does not truly exist, but it is not of importance to them whether there is any fire protection or not, so that it is a violation of all the rules of common sense either to ask an insurance company to sub-