

Australia, which can never be our competitor for this trade owing to the length of the voyage, and in this respect we have the advantage over our neighbors the United States, so that we may well say that the export of live stock should be Canada's "specialty."

We are at the moment unable to present the reader with the exact statistics of the total numbers of cattle shipped in the years 1876 and 1877 respectively, but the increase of the latter period over the former is enormous, while the figures for this year will be still more startling, proving that we have not at all exaggerated the importance of our subject.

Having thus called notice to a trade which if cultivated will eventually become a leading feature in Canada's commerce, and having endeavored to look at the same chiefly from a national point of view, we will, as previously stated, proceed in a future number to consider the matter from its underwriting aspect which we flatter ourselves will be of interest, as what we can gather, even underwriters themselves have little or no data from which to fix their rates, and this experimentalizing with the science of insurance is usually a pretty costly affair.

Three per cent. against all risks, may at first glance seem a heavy rate, but should it prove to be inadequate it is easy to see that even a higher figure must be paid to place the trade upon a sound basis.

#### THE LATE ENGLISH FAILURES.

The failure of the City of Glasgow Bank has been the subject of the greatest interest to the entire press of this continent during the last few days. It does not as yet appear probable that either United States or Canadian interests are likely to suffer, although it is difficult to speculate on the consequences of such a catastrophe. As to the creditors of the bank, it seems probable that they will merely be exposed to temporary inconvenience, and it is more than probable that the payment of the deposits will be assumed by the other banks which have already made arrangements for the redemption of the notes of the suspended bank.

The real cause for alarm in our judgment is the evidence afforded by this failure of the unprofitable character of the business carried on by the chief customers of the bank. Four firms were indebted to the bank to the extent of nearly £6,000,000 sterling, or \$30,000,000, and these firms and other customers of the Bank were doing business in India and Australia, and in ship building in Glasgow.

A very able article in a recent number of the *Fortnightly* predicted heavy losses to the banking interest, and it may well be apprehended that the customers of other banks have met with losses, if not as serious as those which have led to the failure of the Glasgow bank, yet of sufficient magnitude to create apprehension. There is a startling feature in the transactions of the Glasgow bank. It appears to have been in the habit of exchanging paper with the Indian houses, and thus increasing its liabilities to an enormous extent.

It is satisfactory to find that this serious bank failure and the mercantile failures that have followed and preceded it, have not produced anything like panic in the London money market. It is probable that the weakness of the bank has long been known to the principal city houses, even though they have been unprepared for the catastrophe. Meantime, the bank of England has been strengthening its position by the adoption of its usual check, an increase in the rate of interest. The recent developments afford pretty conclusive proof that commercial depression is not confined to Canada.

#### GENERAL AVERAGE.

At a conference held at London in May last, to consider the subject of general average, it was resolved that the York and Antwerp rules should be uniformly adopted, and a commission appointed to ascertain the modifications which would require to be introduced into English practice. In its report, recently published, the committee recommends that the utmost publicity should be given to the proposed changes, so that shippers of cargo may arrange for the insertion of the necessary change in their policy of insurance.

The following are the advantages which the committee anticipate as likely to result from the adoption of a uniform system of general average:—

1. Its general intelligibility. It would, or might at all events, the committee think, be understood by all parties. As matters now stand, the committee states: it frequently happens that not one of the parties really interested, that is to say, neither the shipowner nor the underwriters on ship or cargo, has the least knowledge of the law or custom by which the settlement between them is regulated.

2. Its general fairness. The proposed change would do away with a temptation to let the choice of a final port be affected by a consideration of what the rules for adjusting average might be in that country.

3. Its convenience. General average could always be adjusted at the cheapest and most convenient place.

The changes which the adoption of the York and Antwerp Rules will introduce into the English practice are stated by the committee to be four in number.

1. No jettison of cargo laden on a ship's deck will be admitted into general average. The effect of this change will be to abolish the exception that at present exists with regard to timber or deals on deck. Shippers of cargo on deck will recover loss by jettison from their underwriters and loss of freight from underwriters on freight only in cases where there is a clause "in and over all" inserted in their policies.

2, 3, and 4. The other three proposed changes are with regard to cases where a ship is for the common safety taken into a port of refuge. The new rule will allow pilotage and port charges incurred in (1) coming out of port as well as those incurred in going into it, (2) it will also allow the cost of warehousing the cargo and putting it back into the ship, as well as that of taking it out of the ship; (3) at present only those charges which we have numbered (3) and (4) are allowed by the English practice, which in these respects differs from that of every other country. The wages and keep of the crew during the vessel's stay in the port are also to be admitted into general average. This will be a considerable modification in the English practice, but it is the rule in most other countries. The committee give it as their opinion that it is contrary to principle, as well as impolitic, to throw this loss upon the shipowner.

The desire of the committee to see the greatest publicity given to the Rules is fully endorsed by those interested in this important question: papers are being circulated in the United States among merchants and shipowners, to be signed by all who favor the rules, and many underwriters have signified their willingness to see them enforced. The Board of Marine Underwriters of Boston has voted to adopt them, beginning their use on the first of January, 1879, with this proviso, that the adoption is conditional on a general acceptance of the rules by the merchants and underwriters of other cities in this and foreign countries.

It is then to be hoped that a general system of wise rules, carefully framed by experienced and practical men, peculiarly interested in a judicious settlement of the questions involved, is likely to secure general acceptance, and thereby, in time, to engraft itself permanently upon commercial usages and commercial contracts.