

Hon. Mr. EULER: Do you carry your own insurance there as you do on your railways.

Sir HENRY THORNTON: Let me correct that, Mr. Euler. Practically all of that Marine insurance is on the Pacific coast boats.

Hon. Mr. EULER: And that is carried by private insurance companies.

Sir HENRY THORNTON: We carry out the first \$300,000 ourselves and farm out the balance.

Hon. Mr. EULER: Why vary the practice.

Sir HENRY THORNTON: Well, because we do not care to jeopardize the insurance fund, in the event of a very large risk or a very large loss. We do not mind carrying losses in our own insurance fund up to, say, \$300,000; but if a boat should become a total loss we do not want to carry that risk in our own fund. That is, in a measure, re-insurance.

Mr. DUFF: A very wise thing.

Mr. FRASER: I understood the other day that you made a clear line of division as between your coastal service and your triangular service. I understood you to say that you had an idea or intended to give out the insurance on your triangular service. Was that correct?

Sir HENRY THORNTON: No, this is all the same thing. We are to-day running vessels in what is known as the triangular service, that is, vessels which call at Vancouver, Seattle and Victoria. They started, I think, this year, maybe last year; but there is no line of demarcation. If I gave you that impression I did it unwittingly. There is no line of demarcation between what is called the triangular service and the general coastline service. The triangular service is a part of the general coastal service. It is called the triangular service as a sort of trade name.

Hon. Mr. EULER: In your regular Merchant Marine, which I think consists of between thirty and forty vessels, do you carry that yourselves or not.

Sir HENRY THORNTON: Yes, we carry that ourselves.

Hon. Mr. EULER: That applies also to the new West Indies service, does it, those new boats.

Sir HENRY THORNTON: Yes.

Mr. DUFF: You set aside a certain amount every year, which you credit to an insurance fund.

Sir HENRY THORNTON: We pay the premium to ourselves.

Mr. DUFF: You set aside a fund.

Sir HENRY THORNTON: Yes.

Mr. DUFF: Exactly. We decided that some years ago.

Sir HENRY THORNTON: Yes.

Hon. Mr. EULER: Are the rates greater on the Pacific Coast?

Sir HENRY THORNTON: We have more expensive vessels. It is a little difficult to say whether the risk is greater or not. At certain times of the year there are serious fogs, heavy fogs, in some of the inland routes that some of our vessels follow; the rights themselves are narrow and tortuous.

Hon. Mr. EULER: And the rates are correspondingly high.

Sir HENRY THORNTON: I hope so.

Mr. FRASER: Is the premium paid for Marine risks on the Pacific greater than on the Atlantic for a similar service.

Sir HENRY THORNTON: I have no way of making comparison, but my guess would be that they probably are. I may be wrong in that.