

Sir HENRY DRAYTON: I think the Grand Trunk claimed they had \$7,000,000 coming to them. How much came?

Major BELL: \$5,000,000, I think.

Sir HENRY THORNTON: We got off extremely well; we made a very satisfactory settlement.

Mr. COOPER: We got all we claimed with the exception of \$250,000.

Sir HENRY THORNTON: And I think we were one of the very few railways operating in the United States which got off as easily as that.

Mr. JONES: Where does the other \$100,000 come in?

Sir HENRY THORNTON: \$100,000 was due to the increase, which Mr. Henry has just explained. \$5,000 for services in connection with the D. W. & P.; \$8,200 was credited in 1922, covering a claim against the United States Railroad Administration for work done during the Federal control; there was a bill of \$12,000 with a firm of lawyers in Buffalo in connection with the case of the Niagara Arch Bridge Company, and I suppose the balance must have been a general increase in legal expenses, due to more active litigation. The largest lump sum that was paid out, though, was the \$100,000 to which I have just referred.

Major BELL: Probably there are more legal expenses this year, on account of the amalgamation. There were a great many extra things that had to be straightened out with respect to the subsidiary companies, and the relation to the parent company, which will disappear now.

The CHAIRMAN: Gentlemen, that brings us pretty well to the end of the railway operating expenses.

Mr. JELLIFF: I notice quite an increase in the Pension item, too.

Sir HENRY THORNTON: There was an increase of \$183,500. \$54,000 of this increase represents accrued pensions paid to ex-employees who had previously been denied pension on account of implication in the trainmen's strike in 1910, and who were restored to pension privileges in 1923. The other increase is due to the increased number of pensions and also to the fact that the rate of wages for the ten years used in computing was higher than the ten-year scale of wages paid in 1922.

Mr. STEWART: In item 455; there is a small item of insurance. What insurance is that?

Sir HENRY THORNTON: There was an increase of \$3,118.

Major BELL: That represents—we took over the insurance business ourselves and do all the insurance, where a good deal of that work was done by outside companies. There would be a little extra cost of handling that to the railway company, that is direct charges, as compared with what it was before. It would be hidden in the premiums before.

Sir HENRY DRAYTON: That is hardly right; your situation is this: Your accounts look as though your own insurance is costing more than it did before, but it is not. The real situation is that before, you had no insurance on the government lines at all. Now you are providing an insurance fund for everything, so that while the account looks bigger there, you are saving money on the insurance.

Major BELL: Yes. The insurance that was out, we would have less cost per thousand appearing in this item.

Sir HENRY DRAYTON: Although the aggregate is bigger, the cost per thousand is less?

Major BELL: Yes. The net saving on the whole thing is about \$1,250,000.

The CHAIRMAN: What shall we proceed with on Monday? What more do you wish to take up except the estimates?