

areas, and I believe some area not insured, in which they carry their own insurance the intention of the insurance, of course, being to provide for cases where, if a loss occurred by fire in the densely trafficked section, the money would be at hand to pay the loss. The property would have to be repaired at once. It could not be allowed to stand, and there would be no money to do it with, if they had no insurance fund. The minister is providing some other way whereby there will be authority to pay the money out of the treasury. I would like if the minister would tell the House what has been the result of that insurance. Has it been a loss to the company? Has the company been recouped by those with whom it insured against these losses, equal to, or nearly equal, to the amount of premiums paid, does that differ in each of the areas, and has the minister any comment to make on the rate of insurance the company was able to obtain, whether it was fair and reasonable, low, or too high?

Mr. GRAHAM: The experience of the company in insuring its property has been that a large profit has accrued to the insurance companies. I forget the exact figures; but I think the amount of insurance all told is three hundred and some odd million dollars, and if we were to include the Intercolonial railway, that has not been insured, the total would approximate \$400,000,000. Those in charge of the insurance have taken into account all the valid circumstances, and they have come to the conclusion that with the experience in the various roads during the past ten years and the amount of premiums paid, there could be a saving of about three quarters of a million dollars per annum by carrying our own insurance.

Mr. MEIGHEN: What were the companies with whom the insurance was placed?

Mr. GRAHAM: The insurance was placed, I think, with two companies of insurance brokers who distributed it amongst various companies. I cannot bring to mind the names now.

Mr. MEIGHEN: They were not brokers; they were companies.

Mr. GRAHAM: These companies do not carry the entire risk for the risks are very large.

Mr. MEIGHEN: They reinsure.

Mr. GRAHAM: Yes. As I understood the matter, they were insurance brokers, but I may be wrong about that. They, at least,

distribute the insurance. The question was raised if it would not be wise to carry part of the insurance, perhaps in more densely populated areas. If that were done and our insurance were not spread over the lean areas, as well as the better portions, we were informed that the rate would be so much higher. As a matter of fact, the new president of the company procured a gentleman to go into the question of insurance in reference to the Canadian National Railway Board properties, and it was decided and the recommendation made that money could be saved by the government carrying its own insurance. Some years ago on the Intercolonial road, on which there was no insurance, the plan was inaugurated of the government putting aside each year from the returns from the road a certain amount for insurance. Our experience at that time was that that amount, although it was comparatively small, fully carried all the fire risks. The Grand Trunk, and, I think, one of the other lines have large insurance funds on hand now. I think the total of the two amounts is, at the present time, something like cash in hand of \$2,000,000, so that the government insurance fund starts out already with a nucleus of about \$2,000,000. It is not intended that, in the case of fire, the money should be taken in that particular way; but from the receipts of the system each year a certain amount will be put aside, approximately if not the same amount as would be paid under the ordinary rate of insurance.

Mr. MEIGHEN: Can the minister tell us what rates the Canadian National secured and what rates the Grand Trunk secured, the government road as against the privately operated road?

Mr. GRAHAM: I have not that with me at the present moment. I shall have it at the second reading of the bill.

Mr. MEIGHEN: I would ask the minister to get that.

Mr. GRAHAM: I did not expect the bill to come up this afternoon, and I do not have that information with me. I do not intend to go any further than the first reading of the bill this afternoon.

The other day the leader of the Opposition (Mr. Meighen) asked me two questions which I had better answer now. When the resolution was first introduced, I think the leader of the Opposition stated, if I remember correctly, that the words "restore or make good" were redundant. The instruments held by the trustees, in which instruments the covenants are made, contain two different forms of