

Mr. STEWART: The reserve you are building up is built up by deductions made on standard rates?

Major BELL: On standard rates, if anything slightly below. They are approximately the same rates we were paying the insurance companies.

Mr. STEWART: Have you been operating on that system long enough to be sure that it is going to carry you through all right?

Major BELL: We have based our experience on what we paid out to insurance companies and what we would have paid if the government railways had been insured for the last ten years. That is why I make the statement that if we had had all this property insured during the last ten years and we had been paying the same rates to insurance companies, the insurance companies would have benefited to the extent of \$1,000,000 a year. You see, it is a huge risk.

Mr. STEWART: If we had been under the system we are now under, of building up a reserve, we would by now have had a reserve of approximately \$10,000,000?

Major BELL: Yes. I do not mean to say that the insurance companies have had that \$1,000,000 yearly, because there has not been that insurance out, but they have made good profits, almost huge profits, for the last ten years.

The CHAIRMAN: Does it require much of an establishment to carry that work on?

Major BELL: No.

The CHAIRMAN: You would not have the overhead an insurance company would have?

Major BELL: No. I may say in connection with the insurance that we are running a protection bureau, going through the shops and taking care of fire risks and training men, and so on, so we hope to cut our losses a good deal.

Mr. HARRIS: Could you make a statement as to whose jurisdiction this protection association or organization is under?

Major BELL: Mr. Keystone is the insurance expert.

Mr. HARRIS: You do not know who has the supervision of the accident prevention bureau?

Major BELL: No, offhand I do not.

Mr. HARRIS: These two are very closely associated, one with the other.

Major BELL: Of course, all that comes under one head, under Mr. Robb, Vice-President, but whether Mr. Keystone has that under his jurisdiction, I could not say. He has the insurance and the prevention of fire.

Mr. HENRY: The whole thing is under Mr. Robb, the Safety First campaign, and the Prevention of Accidents.

Mr. HARRIS: Did I understand that you are going to bring to the committee tomorrow a statement as to the exact cost of your accidents at the present time, that is the cost per \$1,000 of your payroll, and the cost last year?

Mr. HENRY: We can do that, yes.

Mr. HARRIS: And at the same time you might tell us under whose supervision this comes, if there is any effort being made by the railway management to co-ordinate the accident prevention and the fire prevention associations within your organization.

Mr. HENRY: We have a well organised system of fire prevention.

Mr. HARRIS: You do not know about the accident prevention?

Mr. HENRY: No, I do not know how closely they work together.

Major BELL: That is under Mr. Keystone. Who is the head of the Safety First campaign?