

are simply local have not been allowed to govern that the conclusion arrived at has been reached, and you may be assured that the action in this matter is governed by broad viewpoint of interests of the province generally.

I point out to my hon. friend that the suggestion which was made at the end of the telegram to which I referred was a purely negative suggestion. I want to say to him that it was not intended at all as an undertaking or an assurance. It was simply a reservation. It was in order that there might be no danger in the future of somebody in Nova Scotia coming along and demanding: Now you support and see that there is built a Canadian National railway hotel in Halifax, notwithstanding the fact that there may be a privately owned hotel as well. It was in order that I might have the opportunity of seeing what the views of the Canadian National railway were and of considering the new situation if it arose that I was very careful indeed to make that reservation. I regret if anybody took it as an undertaking that I would not support a Canadian National railway hotel if it was decided that the interests of the railway required one, but I do not think anybody was misled in the slightest because I find that almost immediately Sir Henry Thornton himself made a statement, on September 27, which is reported in the Halifax Herald of September 28 is follows:

Montreal, September 27—It was officially announced by Sir Henry W. Thornton, chairman and president of the Canadian National railways, to-day that the Canadian National system will erect its own hotel in the city of Halifax. Owing to preliminaries involved no further announcement will be made at this time.

As I have pointed out, express notice had been given previously by Sir Henry Thornton and myself repeatedly that a Canadian National railway hotel was in contemplation. Hon. gentlemen will find in the statement made by Mr. Silver himself as late as October 15, that he rather expected the Canadian National railway hotel would still be considered, and it was with his eyes wide open that he went ahead in connection with the Lord Nelson hotel. Mr. Silver makes this announcement. He says:

The announcement of Sir Henry Thornton yesterday would appear to be in line with previous announcements made by him, and there does not seem to be any sound reason to believe that a government-owned hotel will be considered until after the next session of parliament.

In view of that fact, President Silver said, the Lord Nelson hotel company were going right ahead with their plans and will immediately proceed with construction.

No one could have had his eyes more wide open than Mr. Silver on that occasion. It was simply a case of competition, a case where the Canadian Pacific Railway felt that an opportunity had come to them so that they might take stock in that hotel and get it started, and they were able to get it started more quickly than the Canadian National. As I have said, no one was misled; they had before them the statements made back in July and before the company was organized on the present basis at all, that there would be submitted to parliament at the next session an estimate for a Canadian National railway hotel in Halifax, which estimate is in the supply bill now before us. They also had my interview with the Board of Trade in August. May I say further that all the announcements of Sir Henry Thornton had been made and the plan for the combined station and hotel was known before the Lord Nelson contract was authorized. According to the press the contract was not authorized by the directors at least until as late as October 15, the site was not approved by the directors until October 17, the contract for the excavation was not closed until October 19, and as I indicated previously the capitalization had not been legally fixed and recorded until October 7, some time after Sir Henry Thornton announced definitely that he would build a hotel.

Just one word on the merits, and I have finished. One thing which influences me and which will influence this house and be regarded in this country as important is this, that Mr. Silver himself in advertising the Lord Nelson hotel securities in July points out:

Based on comparisons with other hotels of approximately the same size, it is estimated on the most conservative basis, that the gross earnings for the first full year's operation will be \$246,456 and the operating expenses, taxes, insurance, and so forth, will amount to \$105,225, leaving a balance of \$141,231 available for bond interest and preferred stock dividends which amount to \$83,800.

That would indicate at least that Mr. Silver did not entertain the same gloomy views which my hon. friend the leader of the opposition has suggested.

Mr. BENNETT: I did not suggest that he ever entertained gloomy views. I gave the statement of Mr. Pratt to the president of the railway company.

Mr. RALSTON: That would suggest that Mr. Silver did not entertain the gloomy views which my hon. friend thought were entertained by Mr. Pratt.