

I should read the other Order in Council passed by us to justify myself. This one is dated the 7th day of August, 1926. "The Committee of the Privy Council have had before them a report, dated 3rd August, 1926, from the Acting Minister of Railways and Canals, representing:

1. That under date the 5th day of February, 1913, an agreement was entered into between the city of Vancouver, in the province of British Columbia, of the first part, and the Canadian Northern Pacific Railway Company, of the second part, and the Canadian Northern Railway Company, of the third part; the said agreement being hereinafter referred to as "the Agreement," the city of Vancouver as "the city" and the said Railway companies as "the companies."

2. That under the agreement the companies covenanted with the city, inter alia, to do and perform certain matters and things specifically set out in the agreement clauses numbers 12, 13, 14, 16 and 17 thereof, and in the whole generally in effect as follows:—

(a) That the approach of the railway "through the high grounds lying to the south and east of the railway property shall be by means of a tunnel of double track capacity or two single track tunnels, the tunnels to be electrified and permanently maintained;

(b) That a permanent station be established at the south or east portal of the tunnel, and if the north portal is more than three-quarters of a mile from the Union Station, an additional permanent station to be constructed at the north portal;

(c) That no engines in False Creek shall at any time be operated by steam from coal oil other substances emitting fumes, gas or smoke to such an extent as to make a nuisance;

(d) That within five years from 1913 a 250-room first-class hotel shall be constructed and thereafter permanently maintained within the limits on property other than railway property;

(e) that, if required, a spur track crossing Main street to the city market be constructed.

3. That the Companies have not carried out the provisions of the agreement, clauses 12, 13, 14, 16 and 17 thereof.

4. That the city is pressing for the immediate performance of the provisions of the agreement, clause 16 thereof, urging that the present needs of the city require a larger hotel than the one proposed under the provisions of the said clause 16.

5. That the estimated cost to the companies of carrying out the works called for by the agreement, clauses 12, 13, 14 and 17 thereof, is \$8,150,000.

6. That the Board of Directors of the Canadian National Railway Company is of opinion that the Companies' liability under the agreement, clauses 12, 13, 14 and 17 thereof, is questionable, and that it is not in the public interest that the Companies undertake to comply with the provisions of the said clauses of the said agreement, the agreement in respect of which was improvidently entered into.

7. That the cost of the construction of the proposed 500-room hotel is estimated at \$3,500,000.

8. That during the past two years negotiations have, with the approval of the Department of Railways and Canals, been carried on between the authorities of the Canadian National Railways and the authorities of the city with an endeavour to effect a settlement between the companies and the city providing for the erection by the companies of a hotel within the limits of the city of approximately five hundred renting rooms to be operated by the companies and providing for the release by the city of the carrying out by the companies of the provisions of the agreement, clauses 12, 13, 14 and 17 thereof.