

and \$45,000. In addition to this we have agreed to pay them \$10,000 over and above the cost of the land and carrying charges as compensation for their services in securing the site. It is realized that since this project started the value of the site decided upon for the hotel has considerably increased, and that the promoters are entitled to a commission for securing the site at a reasonable figure.

2. Mr. Evans and Colonel Ryan presented to us an itemized statement of about \$17,500 which included their personal travelling expenses, certain fees and other legitimate items of expense which had been incurred in advancing the proposition. We have agreed to pay them \$15,000 in liquidation of this item, especially having regard for the fact that they used their good offices in getting the city of Vancouver to discharge certain of our obligations in return for the construction of our hotel.

3. The construction of the hotel is to be awarded to Mr. Evans, Colonel Ryan and their associates on the basis of cost plus 7½ per cent. We have made a careful investigation of the usual percentages for work of this sort, and we are told by competent authorities that 7 per cent would be fair and that 7½ per cent would be perhaps on the generous side. Again having regard for all of the circumstances we desired to deal fairly with these people, and have accordingly agreed to 7½ per cent.

4. The architects in Vancouver, Messrs. McCarter & Nairne, have prepared plans for the construction of the hotel and done a certain amount of preliminary work in connection therewith. We agreed to pay them a reasonable fee for their work and to retain them as inspecting architects:—

An hon. MEMBER: What has that to do with the matter?

Mr. DUNNING: My hon. friend asked me to read it and I want to read it in all fairness to the Conservative government which was considering the matter at the time.

—in other words they from now on will be our representatives in so far as the construction of the hotel is concerned. We reserve the right, of course, to alter the plans in any way we may see fit, and will probably have to secure further expert advice in this connection.

The above arrangements were entirely satisfactory to Mr. Evans and Colonel Ryan, and were agreed to by Mr. Ladner; in other words, the other side are quite content with the agreement reached to-day. A draft order in council will immediately be drawn up and sent to you; and as soon as it is passed we can make whatever announcement you think proper and get on with the work.

Yours sincerely,

H. W. Thornton.

P.S. I enclose two copies of draft order in council referred to above, which I hope you will have passed as soon as possible.

Mr. SIMPSON: Who signed that?

Mr. DUNNING: Sir Henry Thornton, of course.

Mr. BENNETT: This is splendid.

Mr. DUNNING: My hon. friend says, "This is splendid". It demonstrates one or

two things. It demonstrates, first, that Sir Henry Thornton was pressing very hard for an hotel at Vancouver, not only on our government when we were in power, but on my hon. friend's government when they were in power; that Sir Henry believed it was in the best interests of the Canadian National that they should as soon as possible have an hotel in Vancouver. I assume it is the duty of the government of the day—and no one has been more emphatic in stating this than my hon. friend—to see that a proper arrangement is made. My hon. friend has depicted in strong terms my duty as Minister of Railways to look into the proposals no matter where they may emanate, he has pointed out time and time again that an ordinary business man would do this, and that the fact that anything is recommended by the management does not relieve me of my responsibility. If that statement on the part of my hon. friend is correct, it does not relieve him or the Minister of Railways of that government of his responsibility in respect to the matter. That is the whole point with respect to that.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Quite so. My hon. friend is learning the habit.

Mr. DUNNING: I admit that I can learn many things from my hon. friend, but I hope that I do not acquire that particular mannerism. What was wrong with the whole Vancouver matter had nothing to do with the contention of the city of Vancouver based upon the old agreement under private ownership with the city. It had to do with the manner in which it was proposed to carry out the new agreement. That is the whole point. I point out in that connection that while this order in council was cancelled as soon as we returned to power, we have not said to the city of Vancouver: "We will have nothing to do with you; go to court." We negotiated; we made the best bargain we could for the people of Canada with the city of Vancouver, and we ultimately reached an agreement, which has been duly authorized by the government, that the Canadian National Railways will build an hotel in Vancouver and will commence construction in the fall of the present year.

Mr. BENNETT: Is that on the same site as is mentioned there?

Mr. DUNNING: As regards the site, I will admit that due to what my hon. friends did when they were in office, we are in considerable difficulty, which I would prefer not to discuss here, because of the legal consider-