

Mr. HEAPS: The whole point is whether the building is an economical building. Are the people being given value for the money?

Hon. Mr. MANION: That is not the question Mr. Hanbury brought up. He brought up the question that I used the word "extravagance" and I used the words "unnecessary capital expenditure." I submit further that the Canadian National Railway would be better off to the extent of quite a few hundreds of thousands of dollars annually if they had not built the Vancouver Hotel at all, and furthermore, that the Canadian National Railway would be better off if they had not built any hotels in this country.

Mr. HEAPS: We are going beyond the argument. They inherited a number of hotels for which the company is held responsible, and we are discussing the one at Vancouver. There was a contractual obligation to the company. It was claimed that a three and a half million dollar hotel—

Mr. HANSON: It could be settled for three and a half million dollars.

Mr. HEAPS: It might be a good thing to build a hotel of two hundred and fifty rooms or five hundred and ninety-five, I don't know; but that is a matter entirely for the officials of the company to determine; but to try to make the inference that they are building a nine million dollar hotel which only cost three and a half millions might leave a decidedly wrong impression. I do not think we ought to allow the impression to go abroad that we are building a nine million dollar hotel for three and a half millions.

Mr. HANSON: I think the basis of the statement was that he had stated that the unnecessary expenditure had not been instigated by the late government, and I will ask Sir Henry Thornton whether or not the management of the railway accept the full responsibility for the increase from three and a half million dollars to the estimated cost for the construction of the hotel in Vancouver.

Mr. MCGIBBON: Sir Henry said they were not even consulted.

Sir HENRY THORNTON: I did not quite mean that. As I recall the circumstances, the first order in council which was passed by the government which existed during the interval was cancelled by the subsequent government when they returned to power.

Mr. HANSON: You had nothing to do with that.

Sir HENRY THORNTON: That was an action of the government; I had nothing to do with that, but that re-opened the whole question, and we had our contract with the city and when we came to reconsider the whole question again business was increasing, times were booming, and it looked as if they were going to continue to be good. We felt at that time, in the light of the information that we then had, that it would be the part of wisdom to build a better hotel than was originally contemplated in the first order in council, and of larger size. Now, I will say perfectly frankly here—and this applies to a good many things, not only in connection with the railway but with every enterprise in Canada—if I had known at that time that we were going to be confronted with such times as we now have, I certainly would not have made that recommendation; but there are a good many people who did things at that time and who, had they known what they know now, certainly would not have embarked upon them.

Hon. Mr. EULER: You did make a recommendation?

Sir HENRY THORNTON: Certainly. We accept full responsibility for any recommendation which went to any government at any time.

Mr. HANSON: The fact of the matter is that you thought you had to have a hotel comparable with the C.P.R.?

Sir HENRY THORNTON: Yes, exactly.

Hon. Mr. EULER: Wasn't the initiative to build a hotel somewhat larger and of a better character taken by the railway itself?