

Mr. DUFF: The letter was addressed to the Minister. Did you approve or disapprove?

Hon. Mr. MANION: No; I got the letter just for the purpose that has arisen this morning, just because Sir Henry took full responsibility for it as the president and chairman of the Canadian National Railways. He took full responsibility as I thought he should, and I got it just for that occasion, if it came up; that is all.

Mr. DUFF: I do not object to that, Mr. Chairman, at all, the taking of full responsibility by Sir Henry Thornton. What I am trying to get at is whether the Minister, who really is Sir Henry's superior in this matter, and in matters regarding the railways, after he received the letter from Sir Henry, did he approve of the transaction or did he disapprove of it?

Hon. Mr. MANION: I had nothing whatever to do with the transaction, and I did not have to approve or disapprove. Sir Henry Thornton and the management of the railways could tear the hotel to pieces without having any consideration from me, so far as alterations are concerned. There was no approval that I know of being given at all, no discussion at all, either for or against it, until the matter was well in hand.

Mr. GRAY: Dr. Manion, if I understand you correctly you told Mr. Duff that you did not discuss this matter with Sir Henry before this letter was written.

Hon. Mr. MANION: I said a minute ago I did discuss it. I said I thought there was some criticism; I asked Sir Henry about it in my office. He took full responsibility verbally and I said, "You had better put it in writing," or something to that effect.

Mr. GRAY: I am speaking of the alterations. You did discuss that?

Hon. Mr. MANION: It never came up with me at all; the management of the hotel arranged that.

Mr. GRAY: It is reported on page 254 of the report that the following took place:—

May I preface this letter by saying that there has been a discussion between Sir Henry and myself about the alterations in the Chateau Laurier—

Hon. Mr. MANION: On that occasion that I have spoken of.

Mr. GRAY: No; let me go on.

—because we were tying up practically all capital expenditures that we could tie up, and Sir Henry wrote this letter.

Hon. Mr. MANION: Yes.

Mr. GRAY: You did discuss the question?

Hon. Mr. MANION: I discussed—

Mr. GRAY: Because you knew some of this was capital expenditure.

Hon. Mr. MANION: So far as my memory serves me, I discussed this with Sir Henry only on the occasion which I have mentioned to Mr. Duff. I asked him about it in a general way. I do not remember the verbiage of the conversation, but I discussed it in a general way, and Sir Henry Thornton right at that time took full responsibility, and said he would send me a letter to that effect.

Mr. GRAY: You thought at that time it was capital expenditure?

Hon. Mr. MANION: I presume part of it would be capital expenditure.

Mr. GRAY: Let me ask you this: was any order in council passed with respect to this capital expenditure?

Hon. Mr. MANION: I do not think there ever was any order in council passed at all. That is, not that I know of. I do not remember any order in council.