

did not change during that time; their attitude continuously was one of constant pressure to have the agreement of the Canadian Northern Pacific Railway Company implemented by the Canadian National Railway Company. While we were in office during the month of April, 1926, there was communicated to me the contents of a resolution passed by the city of Vancouver, to which my hon. friend made reference this morning. That by-law or resolution, whatever it was, conveyed the unanimous consent of the Vancouver city council to abrogate certain sections of the agreement between the city and the Canadian Northern Pacific Railway Company, except that part concerning the hotel operation. The resolution provided that the railway company would enlarge the provision relative to hotel accommodation to the extent of five hundred rooms. My question to the management of the railway company in April, 1926, was, "Where do you propose to get the money to build this hotel? Your estimates are in and are before the House of Commons now, and there is no provision there for the erection of a 500-room hotel. Where do you propose to get the money?" The answer was that certain private parties were prepared to build a hotel in Vancouver to be leased to the Canadian National Railways, and that the Vancouver city council would regard such arrangement as a complete discharge of the obligations of the railway company with respect to a hotel. This was what my hon. friend had reference to the other evening when he said this government had encouraged these negotiations and had carried them on. I would inform my hon. friend that this government absolutely refused to consent to such an arrangement with respect to the hotel at Vancouver. That is a matter of fact. The very fact that no order in council was passed by this government giving approval to such a scheme is the best evidence I can offer in regard to that phase of the matter.

When we went out of office on the first day of July the city of Vancouver was quite certain that while we might agree in principle to the erection of a Canadian National hotel at Vancouver as complete satisfaction of what was involved in a former agreement with the Canadian Northern Pacific, we were not prepared at that session to make provision in the estimates for that purpose. The question between us and the city of Vancouver was not one of whether a hotel should be built, for the government agreed with the Canadian National management that the Canadian National should have a hotel at this great Pacific gateway. The question was, as it is with a great many other matters recommended

by the Canadian National, how soon, having regard to the financial situation of this country, such and such an enterprise could be carried out. That was the position in regard to the building of a hotel, but I want to make it doubly clear that this government absolutely refused to have anything to do with the arrangement whereby private parties would put up a hotel which would be leased to the Canadian National at a rental sufficient to pay a handsome profit on the investment to the promoters, and to ensure them completely against any loss in connection with it. I pause to say that to my mind one of the greatest dangers—I have mentioned it in the house before—we encounter in connection with this great public ownership experiment we are conducting, is the effort made by philanthropically disposed private individuals or private corporations to erect some sort of structure, a hotel or something of that nature, for the Canadian National, or have the Canadian National invest something in their enterprise, and thereby completely guarantee its financial success so far as they are concerned. In other words, to have a substantial profit, in most cases, guaranteed by the people of this country. To my mind it is only in rare and exceptional circumstances that it is desirable for this publicly owned railway corporation of ours to enter into that kind of arrangement with private individuals. That is one of the reasons I never liked the Halifax proposal whereby the Canadian National would have invested \$250,000 in a company which would be controlled by others. I may say in passing, the original arrangement with respect to Halifax was one which certainly involved the mulcting of private investors by the promoters of an extortionate amount. I use that term advisedly, and I believe my hon. friend the leader of the opposition will agree with that.

Mr. BENNETT: Not extortionate, because other promoters have received as much; it was too large a compensation for the services rendered, in my judgment.

Mr. DUNNING: My hon. friend will agree that it is much too large.

Mr. BENNETT: Yes.

Mr. DUNNING: If the word "extortionate" is felt to be too strong, I will agree with him that "much too large" is probably better.

Our hon. friends opposite came into office—not into power—around the 1st of July, and immediately I presume—and here I can only presume—the city of Vancouver and the private interests who were so anxious to con-