

mendation of the latter, agreed to subscribe for \$100,000 of the preferred stock in the Lord Nelson hotel at Halifax, Nova Scotia, the National Railways undertaking to recommend the government's approval of a subscription by that company of \$250,000 of such stock. This arrangement was not given effect to owing to government objection, and your company was pressed to increase its subscription to \$350,000. Your directors considered that, in view of your ownership of the Dominion Atlantic Railway serving the important tourist centres of the Evangeline country and connecting through the Eastern Steamship Company with the port of Boston, the local project, which received general support in Halifax, should be assisted to the extent mentioned. The subscription was accompanied by an offer to the National Railways to transfer to that company or the government \$250,000 of the preferred stock at cost up to July 1st next—in other words, renewing the proposal made by the National Company to this company.

Mr. RALSTON: That is the subscription of September 26.

Mr. BENNETT: No, renewing an offer to take \$250,000 of stock if the Canadian Pacific Railway took \$100,000.

Mr. RALSTON: That is the subscription of September 26.

Mr. BENNETT: No, that subscription was for \$350,000. Does not the hon. gentleman see the position he is in now? There were two subscriptions, an initial subscription for \$100,000 followed by one for \$250,000, making a total of \$350,000 as stated in the letter of September 26. Does the hon. gentleman say that the Canadian Pacific Railway Company never agreed to take anything except \$350,000 in stock?

Mr. RALSTON: I say on the authority of Mr. H. R. Silver, president of the company whose stock was being subscribed, that it was expected that if the Canadian National would subscribe for \$250,000 the Canadian Pacific would subscribe for \$100,000. That is the letter which appeared in the paper.

Mr. BENNETT: And the company's report say they did agree to subscribe for \$100,000.

Mr. RALSTON: I am taking the public announcement.

Mr. BENNETT: Mr. Silver confidently expected it in July, and his expectation was realized. The Canadian Pacific Railway Company agreed to subscribe \$100,000.

Mr. RALSTON: My hon. friend will not find any agreement to subscribe \$100,000 after July.

Mr. BENNETT: Does my hon. friend say that they never agreed to subscribe \$100,000?

Mr. RALSTON: Yes, on the authority of Mr. Silver.

Mr. BENNETT: Then they agreed to subscribe \$350,000 because the Canadian National would not subscribe \$250,000?

Mr. RALSTON: Yes.

Mr. BENNETT: Then they must have subscribed \$100,000 first.

Mr. RALSTON: No, because they subscribed \$350,000 in September.

Mr. BENNETT: No; they agreed to make their subscription \$350,000, because the president of the company in his annual report says that they agreed to subscribe \$100,000.

Mr. RALSTON: All the president said was that on September 26th they agreed to take \$350,000 in stock.

Mr. BENNETT: Of course, because the Canadian National did not subscribe the \$250,000.

Mr. RALSTON: My hon. friend should not split hairs.

Mr. BENNETT: I am not splitting hairs; this is a question of fact. The fact is that the president of the Canadian Pacific Railway Company, in the presence of witnesses, agreed to take \$100,000 in the hotel.

Mr. RALSTON: No doubt that is where Mr. Silver got his expectations.

Mr. BENNETT: He was surrounded by witnesses who went up as a delegation. The Canadian Pacific did not want to go into this venture, but the Canadian National urged them to, and they did it for the sake of Nova Scotia as a whole. The Canadian National did not take the \$250,000, and the Canadian Pacific have been compelled to take \$350,000, or else let the enterprise be abandoned.

Mr. RALSTON: That is my hon. friend's construction.

Mr. BENNETT: It says so. There is a further statement made by the president of the company.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: Can we carry this item?

Mr. BENNETT: No.

Item stands.

Progress reported.