

a very fine bargain with the city of Vancouver. But the bargain was not the bargain incorporated in the Order in Council in 1926 by the so-called Shadow Government, to build an hotel, I think, of 500 rooms to cost three and one-half million dollars. And I went on to say that between 1926 and now the cost of that hotel, the proposed cost—and there is no question about it officially—is \$9,000,000 or a little more. So it had gone up from \$3,500,000 to \$9,000,000, and that is what I was speaking of as unnecessary capital expenditure. As I say, I cannot stay very long this afternoon, and I want to make sure that I am quoted properly. I went on to say this about the hotel. I said that a certain newspaper in Toronto had made the statement recently that the building of these hotels was indirectly bringing business to the National Railways which made up for whatever capital losses there might be. I wondered if it was true, and I had my deputy investigate with the officers of the railway, and he gave me the figures which I read in the House and put those figures on record—and as I say I do not want to be misquoted to-day in my absence—I said then that the figures show that the combined passenger earnings had shown a loss in 1926 of something over \$4,000,000 in round figures, a complete loss of passenger earnings in 1926 of \$4,000,000 and that in 1930 the same passenger earnings showed a complete loss of over \$20,000,000, or nearly five times as much. So that I went on to draw the conclusion that these heavy capital expenditures for those various hotels were not justifying themselves in returns to the passenger service of the railway.

Mr. HEAPS: Is that a fair comparison, to take 1930?

Hon. Dr. MANION: I did not take any particular year.

Mr. HEAPS: You take it year by year.

Hon. Dr. MANION: All right, I can give them year by year.

Mr. HANBURY: Is it not fair to suggest if it had not been for this hotel the passenger revenue would have been further decreased?

Hon. Dr. MANION: It seems to be getting worse every year, anyway. In reply to Mr. Heaps, I am going to quote from information I obtained yesterday. In the year 1926 the loss was \$4,000,000; in 1927, the loss was more; in 1928 more still; in 1929 more still; and worst of all in 1930. I agree with Sir Henry that this year the losses, generally, have been a little less. However, these are the facts given to me, as explained here this morning because of changes in the Chateau Laurier last year, and if they are wrong, it is because the officers gave me the wrong statement.

Hon. Mr. EULER: May I ask this: the statement has been made by Sir Henry, and corroborated by the Minister, that there was an agreement that we should build a hotel of 500 rooms, for which the shadow government, as my hon. friend called it himself appropriated three and a half million dollars. I would like to know whether, in view of the fact that you built the hotel at least partly in order to compete with another first class hotel, and that you had to build necessarily also a first class hotel, you could build a hotel of that kind with 500 rooms and first class in every way for the sum of three and a half million dollars.

Hon. Dr. MANION: I made the statement, and may I answer that and Sir Henry can give his information after. I have the offer before me, and it was agreed upon by order in council at the end of 1926 that the hotel agreed upon to be built in the city of Vancouver in return for any demands that the city of Vancouver had upon the government, and that they were to build the hotel at a cost of three and a half million dollars.

Mr. HANBURY: How much?

Hon. Dr. MANION: I said a moment ago the hotel was to cost three and a half million dollars.