

I trust that the proposals herein contained will be expedited as rapidly as possible by the government, because if there is any material delay the opportunity of making a satisfactory settlement with the city will be withdrawn and an important traffic producing centre will be changed from a friendly district into one which will be distinctly hostile. Aside from all other considerations, this would incur a liability which the national railways, with its need for increased traffic, can ill afford.

Yours faithfully,

H. W. Thornton,  
Chairman and President.

P.S.—I neglected to say that negotiations for a suitable hotel at Vancouver have been in progress with increasing activity for at least two years. Also the estimates of our hotel department indicate the net profit from operation will meet all capital charges and leave a small margin besides.

I read that communication because it was attached to the order in council. It was not referred to by the minister. It is the very basis upon which the order in council was framed from a draft prepared by the president and chairman of the company with his assistants. That was when Sir Henry Drayton was acting Minister of Railways and acting Prime Minister.

Mr. DUNNING: What is the date of that?

Mr. BENNETT: The third day of August, 1926. Let us look at the facts. If my hon. friend will turn to the statutes of British Columbia for the year 1913, he will find set out the agreement between the city of Vancouver and the Canadian Northern Pacific Railway and the Canadian Northern Railway. That agreement imposes upon the Canadian Northern railway system many large obligations and I suggested the other evening that these had been settled before the shadow government, so-called, came into power. My hon. friend disputed that, but the evidence of it is in the very order in council which he has produced but with respect to which he did not read the paragraph that is relevant to that allegation. I now propose to read the order in council as a whole, much as I regret doing so, in order that at least those who may not now speak for themselves, the former acting Minister of Railways, Sir Henry Drayton, who is not now in the house, and the Right Hon. Arthur Meighen, who was then Prime Minister of Canada, who is also not in the house, may have their position vindicated with respect to this matter, for be it known that only last session the Minister of Railways alleged that a certain letter, which I have not seen, had been written by Sir Henry Drayton with respect to the Carillon falls and a public state-

[Mr. Bennett.]

ment was made in the Canadian Press that Sir Henry Drayton on his return from the West Indies went into the department and in the presence of the deputy minister, who is present here to-day, found the letter in question. I only want to say that the statement appeared in the Canadian Press.

Mr. DUNNING: The hon. member is wrong.

Mr. BENNETT: The hon. gentleman says that I am wrong. It would be just as well to make the correction now. I shall be glad to sit down in order that he may do so. It will expedite the business.

Mr. DUNNING: I will deal with the matter later.

Mr. BENNETT: Then I will also deal with it later. I will now read Privy Council order No. 1218, and I desire to direct careful attention to it:

The committee of the Privy Council have had before them a report, dated 3rd August, 1926, from the Acting Minister of Railways and Canals, representing:

1. That under date the 5th day of February, 1913, an agreement was entered into between the city of Vancouver, in the province of British Columbia, of the first part, and the Canadian Northern Pacific Railway Company, of the second part, and the Canadian Northern Railway Company, of the third part; the said agreement being hereinafter referred to as "the agreement", the city of Vancouver as "the city" and the said railway companies as "the companies".

2. That under the agreement the companies covenanted with the city, inter alia, to do and perform certain matters and things specifically set out in the agreement clauses numbers 12, 13, 14, 16 and 17 thereof, and in the whole generally in effect as follows:

(a) That the approach of the railway "through the high grounds lying to the south and east of the railway property shall be by means of a tunnel of double track capacity or two single track tunnels, the tunnels to be electrified and permanently maintained;

(b) That a permanent station be established at the south or east portal of the tunnel, and if the north portal is more than three-quarters of a mile from the Union station, an additional permanent station to be constructed at the north portal;

(c) That no engines in False creek shall at any time be operated by steam from coal oil other substances emitting fumes, gas or smoke to such an extent as to make a nuisance;

(d) That within five years from 1913 a 250-room first class hotel shall be constructed and thereafter permanently maintained within the limits on property other than railway property;

(e) That, if required, a spur-track crossing Main street to the city market be constructed.

That ends that.

3. That the companies have not carried out the provisions of the agreement, clauses 12, 13, 14, 16 and 17 thereof.