

million. They snapped at it like a large fish going after a small one because they did not know any better. They spent \$214,000 on fixing the place up. They did not know that you could make money on hotels in Saskatoon, and yet the Sheridan Hotel chain has a hotel right across the street from the Bessborough, a swinging place where the liquor flows, and they are making a fortune. The site of that hotel is not even comparable to the site on which Bessborough stands.

Did you know that the Bessborough has two floors in its building that were never opened up? The original broadloom is still on these floors and some of the original furniture is still there. Yet, a new hotel can be built across the street and make a profit, while the hotel operated by the railroad can suffer loss after loss. That is because the railroad is not a competent manager of hotels. Yet, they come again before this House of Commons and ask for \$5.6 million to pour into some more liquor lounges and into some more bedrooms. I do not know what it is for, because we really do not need to use the money of the public of Canada to finance the grand hotels that the railroad insists on building.

These hotels are not for poor people. A week or so ago this party had a convention at the hotel down the street, the Chateau Laurier. I will tell you that the service was not as good as it might be, but the prices certainly were. That hotel is not designed to care for the poverty-stricken traveller. Yet, this is where public money is going to be put, not into social housing or into the necessary things for the ordinary working men, but into building hotels in competition with private people who can make them pay and who pay income taxes. This operation run by our national railway system cannot even earn one per cent on its money invested. It is very nice for us to own Jasper Park Lodge. It is very nice for the people of Canada. But is Jasper Park Lodge something that the ordinary constituent in your riding and mine can visit and for which he can pay the bill? Not at all. Yet, we are able to earn 2.5 per cent on our money invested in Jasper Park Lodge.

Here again when I talk about money invested, the properties that this railroad has covered with hotels are very valuable properties but they are in the books at their original book value, that is the value of those properties when the land was given to Mackenzie and Mann and to Grand Trunk. The land is not properly valued there—it is of historic value—in some cases \$10 or \$15 an acre. If you only sold the land on which the Bessborough stands you would get a heck of a lot more than \$1.6 million. Yet, the railroad does not value this in the true sense of what the investment really is worth. When they value it at \$43 million, they get less than 1 per cent of their money, but if you valued it at the real value, of what the money invested by the people of Canada is really worth, then you would get even less, .1 per cent. Yet, they come to us and ask us for \$5.6 million. Of course, it is not very much to this government.

This government does not look at \$5 million or \$6 million as anything to worry about. The government says: if the railroad wants more money for another venture, they are entitled to it; let them have it. Let us not cross-examine them and tell these fellows that they must account for their management. This is not an operation to move grain,

potatoes or corn. It is not moving oil but rather looking after the privileged. It is an unnecessary public service, although hotels are necessary in our organized communities, but this is an activity that can be undertaken by any private investor. Is it fair to the people of Canada that they should be putting their money in four per cent, no-payment-ever shares in a national railroad so that it can build another hotel, especially in view of its history and the way in which this national railroad operates its facilities?

I want to leave that subject for a moment and go on to the matter of a tower, because this is also part of this amendment. The Canadian National, together with Canadian Pacific, own some 186 acres in the downtown part of Toronto. There is a partnership agreement between the two railroads for the development of what is called the Metro Centre. It will be a very good development. Somewhere along the line the CNR had the idea that the way to make the development successful was to build a communications tower. I am quite sure, having examined Mr. McMillan in committee, that the reason for that tower is not to attract people to the site as much as to supply facilities for the CBC. So, indirectly, we would have the CNR financing the CBC. We have enough problems with the CBC asking this House for \$300 million a year without having the CNR also kick into the CBC.

But be that as it may, we have a project that was estimated to cost \$29.5 million. The CPR, as a partner, in the project wanted a breakdown of the costs of that project; it wanted a projection of profits. A projection was taken on the basis of a cost of \$29.5 million. They found that the project would return 7 per cent if it were amortized over 25 years, or perhaps 12 per cent if we were really lucky and the people went up the tower to do various things, including enjoying the 400 seat revolving restaurant. Again, this is a restaurant not for the poor and the under privileged and not for the rail traveller, but nonetheless the railroad will be involved in using public funds to build a revolving restaurant. This leads one to consider whether the railroad is really interested in supplying the people of Canada with transportation or in building towers in the sky for their own edification.

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This project is supposed to yield 12 per cent on investment. I inquired in committee, and received confirmation that they did not base that calculation on the cost of the land. Of course, land in the Metro central region is very valuable. Conservatively, it can be estimated at \$50 a square foot, and it is probably worth more than that today with land prices as they are now in Toronto. But just at \$50 a square foot, the tower will occupy \$7 million worth of land, so you would not calculate the return on the basis of \$29.5 million but on the basis of \$35 million or so.

Then, of course, the estimate was based on 1970 construction costs. And they estimated the fares they could charge people to go up the tower—\$3 a crack—on a 1973 basis. I say the construction costs of this tower in Toronto, including the value of the land, will probably exceed something in the neighbourhood of \$45 million. Here we are asked to use the scarce social capital of the people of Canada to build a tower, to which the partner in the real estate venture, CP Railway, said, "No way." They said "No