

CANADIAN NATIONAL RAILWAYS
HOTEL OPERATION, YEAR ENDED DECEMBER 31, 1938

Hotel	Location	Capital cost to Dec. 31, 1938		Revenues		Expenses		Taxes		Net	
		\$	cts.	\$	cts.	\$	cts.	\$	cts.	\$	cts.
Chateau Laurier.....	Ottawa, Ont.....	8,673,307	68	1,158,537	84	927,958	88	62,285	45	168,293	51
Prince Arthur.....	Port Arthur, Ont.....	1,186,065	52	156,618	49	131,712	05	5,504	34	19,402	10
Minaki Lodge.....	Minaki, Ont.....	1,094,079	24	51,896	80	49,844	07	162	00	1,890	73
Fort Garry.....	Winnipeg, Man.....	2,906,934	58	346,474	81	338,583	13	26,305	18	18,413	50
Prince Edward.....	Brandon, Man.....	525,623	10	91,839	39	95,888	48	3,972	12	8,021	21
Macdonald.....	Edmonton, Alta.....	2,271,967	36	408,460	90	367,050	86	15,071	79	26,338	25
Jasper Park Lodge.....	Jasper Park, Alta.....	2,660,425	32	291,977	90	237,878	89	4,631	80	49,467	21
Bessborough.....	Saskatoon, Sask.....	3,567,459	62	224,206	88	246,970	60	1,692	87	24,456	59
Pictou Lodge.....	Pictou, N.S.....	199,456	21	17,382	88	16,746	86	305	00	331	02
Nova Scotia.....	Halifax, N.S.....	2,448,464	30	311,978	17	286,357	40	11,071	18	14,549	59
Canadian National.....	Charlottetown, P.E.I.....	857,579	45	85,299	94	85,029	82	3,637	48	3,367	36
	TOTAL.....	26,391,362	38	3,144,674	00	2,784,021	04	134,639	21	226,013	75

Mr. WALSH: That will be quite sufficient. Could I ask Mr. Fairweather or Mr. Hungerford whether the hotel operating expense figure includes any charges for depreciation?

Mr. COOPER: No, we do not include depreciation in our hotels accounts.

Hon. Mr. HOWE: What about depreciation, isn't included?

Mr. COOPER: Not in connection with hotels.

Mr. WALSH: What are you going to do when one of these million dollar hotels become obsolete, or is no longer fit for use; are you going to rebuild it?

Mr. COOPER: So far as furniture and fixtures, equipment of every kind, is concerned, it is replaced as required and generally is maintained in first class condition. That all comes under operating expenses. There is no provision for obsolescence of the building itself. That is, the ultimate retirement of the building itself is not being provided for. We are providing from year to year through the operating expenses of the hotels for all the depreciation which is taking place, apart from the building itself; and that is being kept in very good condition. I think anybody who looks at any of our Canadian National hotels would be fully convinced of that.

Mr. WALSH: I am not objecting.

Mr. COOPER: I do not think you could fail to be impressed by the first-class condition in which they are being kept.

Mr. WALSH: That is beside the point. We have the report here and it indicates quite clearly that there has been absolutely nothing set aside for depreciation on buildings, or for replacement of the buildings; and that is a condition which you would not find with respect to any other type of business. In business if they erect a building they immediately commence an account that will cover the cost of that building in due course. I know when we erect public buildings, schools for instance—where most of my experience has been—we are compelled by law to set aside each year a certain amount of money so that when the bonds become due we have the money to meet those bonds, and the presumption is the building itself is no longer of any use and we have then to float bonds to re-erect that building. Now, you have nothing of that character in your account.

Mr. DEACHMAN: They do not have it with respect to the railways either.

Mr. WALSH: That is quite a different matter.

Mr. DEACHMAN: The question of obsolescence comes up there. There is no difference. You are saying that the hotels are becoming out of date. The railways are subject to the same condition.