

Mr. VAUGHAN: I think that is a fair statement, but we believe the hotel business is going to be good for some time. Tourists are pouring into this country. We have to turn them away if there is not accommodation for them. They bring a lot of money into the country.

Mr. LACROIX: There is a lack of accommodation in Montreal right now. There is no doubt this new hotel will be entirely occupied. It would be a good proposition. There is no doubt about it.

Mr. JACKMAN: I wonder if some officer familiar with the details on hotel occupancy can tell the committee what the experience was in the latter 30's when we had a fair average of business.

Mr. VAUGHAN: It was not very good.

Mr. JACKMAN: Not all good, but one or two years were good.

Mr. VAUGHAN: Some years it was good and some years it was not good, but our experience was no different to that of the other hotels.

Mr. JACKMAN: I wonder if one of the officials could estimate what the break-even point was during those years?

Mr. VAUGHAN: I hope you do not want us to go back to the depression days.

Mr. JACKMAN: No. 1937 was not a bad year.

Mr. NICHOLSON: You stated this morning that you have \$38,000,000 invested in hotels over the system. How much trouble would it be to give us a complete picture of all of the operation up to date since you have been in the hotel business?

Mr. VAUGHAN: I do not think that would be difficult. It has been filed with the board every year.

Mr. NICHOLSON: And what interest on your investment you could pay on your operation?

Mr. VAUGHAN: It can be done. We can give you what you want in connection with hotels. How far back do you want to go?

Mr. NICHOLSON: When was the Chateau taken over?

Mr. VAUGHAN: I guess about thirty years ago.

Mr. JACKMAN: Perhaps we could put the question this way. Since when have the hotels been in the black?

Mr. VAUGHAN: We will look that up.

Mr. COOPER: As a group they have been in the black right along.

Mr. JACKMAN: All during the 30's?

Mr. COOPER: I do not say every hotel but as a group, yes.

Mr. NICHOLSON: Without including interest on your capital?

Mr. COOPER: I would not include interest on capital, no.

Mr. JACKMAN: I would expect you to make an operating profit. You are not including interest on the capital or, under your railway accounting, depreciation on the hotels?

Mr. COOPER: No.

Mr. VAUGHAN: But I think you will agree that some of our hotels probably are run on a little higher standard than they would be if they were ordinary commercial hotels. Take, for instance, the Chateau Laurier. We could cut down the services very materially and make a lot more money, but we would not think it was in the interests of the Dominion of Canada to do that.

Mr. HATFIELD: You could not cut down very much on food.

Mr. VAUGHAN: Do you not get enough to eat?

Mr. HATFIELD: I get enough to eat but it is not cooked.