

your enterprise. It is a natural human desire, but at the same time this committee is here to make sure that we do not get too far embarked on a policy of expansion for the railways, and some of us prefer private ownership to public ownership.

Mr. VAUGHAN: This matter was very carefully analysed by the Statler Hotel Company and by ourselves in co-operation with them. It was found there were fewer hotel rooms per capita in Montreal than in any city on the North American continent. It was found, notwithstanding the fact that Montreal has a very much larger population than Toronto, that Toronto has very many more hotel rooms than Montreal. Vancouver has more hotel rooms. Montreal is greatly deficient in hotel accommodation.

Mr. JACKMAN: Those reasons would all be evident to the people who are seeking to build on the railway property, Mr. Vaughan, and I should think their terms would be modified accordingly. In other words, it would be such a splendid place to build a hotel that it would be apparent to those people who are in the business and who understand the operation of hotels.

Mr. HATFIELD: Did you make allowance for the new hotel going up in Montreal at the present time?

Mr. VAUGHAN: Yes, we did. Of course, that hotel is a popular priced hotel, so-called, which would cater to a different class of people. There are very few facilities in Montreal for conventions or anything of that kind, and Montreal has a lot of advantages as a convention city. Many people do not come to Montreal at all because they cannot get hotel accommodation.

Mr. HATFIELD: Is there not a proposed extension to the Windsor hotel?

Mr. VAUGHAN: I do not know what the Windsor intend to do. They have been talking about putting up an extension for a great many years, but they have not done anything about it yet.

Mr. McLURE: Has there not been a demand made to you by the travelling public to build this hotel?

Mr. VAUGHAN: Yes.

Mr. McLURE: And different associations?

Mr. VAUGHAN: We have had many requests to put up a hotel in Montreal.

Mr. HARKNESS: At the bottom of page 5 you make this statement:—

In the last quarter of the year the downward trend was reversed and there was an increase of 3.7 per cent as compared with the same period of 1945.

I have three questions I should like to ask on that statement. The first is, what is the reason for that increase? The second is, has it been continued into the first quarter of 1947, and the third is, what do you estimate is going to be the situation as far as traffic is concerned for the year 1947?

Mr. VAUGHAN: I would say in reply to the first question that factories have got back again from war production to producing consumer goods, and they can sell all their products to-day without difficulty. I think that was the reason for the increase in the latter part of the year. You might say the change-over from war production to domestic production had started, which caused an increase in traffic after the lull.

Mr. HARKNESS: This increase in traffic was mostly in manufactured goods and supplies for these factories?

Mr. VAUGHAN: I think so. In regard to the second question we are showing an increase in traffic so far this year. In fact, our increase this year is 9.9 per cent.

Mr. HARKNESS: For the first quarter of this year?