

Mr. McGIBBON: Sir Henry, is it not unsound to invest between \$20,000,000 and \$30,000,000 in a business that cannot and is not paying.

Sir HENRY THORNTON: Well, the total investment of the Canadian National Railway Company in hotels is, I think, \$20,000,000 at the present moment.

Mr. McLEAN: \$22,174,701.76 for Hotels in Operation.

Mr. McGIBBON: And every one of them are in red ink.

Sir HENRY THORNTON: All except the Chateau Laurier, I think.

Mr. McGIBBON: The Chateau Laurier is in the red.

Sir HENRY THORNTON: The McDonald Hotel, the Grand Beach Hotel, —but that raises the whole question—

Mr. McGIBBON: The Chateau Laurier is losing \$1,000 a day.

Sir HENRY THORNTON: No.

Mr. McGIBBON: Yes.

Sir HENRY THORNTON: The Chateau Laurier last year earned \$55,608 net.

Mr. McGIBBON: Yes, but it lost \$1,000 a day. You gave me that yourself.

Sir HENRY THORNTON: Oh, including the interest on the investment.

Mr. HANSON: We are only talking about operation after all.

Mr. STEWART: I was greatly taken with the statement and I wanted information about it.

Sir HENRY THORNTON: Whatever the loss may have been, Dr. McGibbon raises the old question of hotel policy, and at a previous meeting I endeavoured to point out that next to the export of agriculture, or products of agriculture the largest single business in Canada was the tourist business which amounted to at least \$300,000,000 a year. And I also endeavoured to point out that the volume of that tourist business and its progressive increase is due to the combined efforts of a number of different activities in Canada to make Canada an attractive place for tourists to come to.

The Canadian Pacific maintain a large number of hotels, so do we. There are various fishing camps; there are golf courses; there are a number of what one would describe as allurements which appeal to the tourist; a large number of summer hotels such as Bigwin in Ontario. Now, all of those things contribute to the tourist business of Canada. And so far as the success is concerned that \$300,000,000 is a net profit because it all stays in the country. We maintain hotels largely because they are essential for encouraging traffic on the railway and because of the contribution which they make to the tourist business.

As far as the railway is concerned we would be very glad to get rid of our hotels. We would be very glad not to have to operate hotels if we thought we could do so without damage to our interest and without affecting the welfare of the country as a whole.

Hon. Mr. EULER: Would you say this, that counting the cost of maintaining these hotels and including interest on the capital expenditures that that loss is compensated for by the increased traffic that the railway gets?

Sir HENRY THORNTON: Well, that is a difficult question to answer accurately, Mr. Euler. I should say that certainly the advantages which the hotel systems of the Canadian Pacific and the Canadian National offer to the travelling public attract a very large amount of travel to Canada.

Mr. McGIBBON: Is it not a fact that the big bulk of the tourist business comes in by automobile?

Sir HENRY THORNTON: Oh, no. For instance we had last year 15,000 people who travelled in special parties and were booked by our New York ticket office that came to Canada. Some of them went as far West as the Pacific Coast, and last year we had the Sun Life convention of, I think, several hundred people at Jasper Park. They travelled by special train.