

return a profit, there would apparently be no end to what they might do because you have an unlimited amount of money behind you.

Mr. VAUGHAN: I can assure you that is the last thing in the world we want to do. Across my desk every day there is somebody who wants us to go into something, but we have declined right along to put money into various things which might bring a return to the railway because we considered it was not in the railways' province to do that. I think this is a little different. We already have a string of hotels. We are in the hotel business. We own this land, which is very valuable, on which we pay taxes, and we believe that instead of having an outgo we can make a return on this investment.

Mr. JACKMAN: Was hotel occupancy down last year over the year before?

Mr. VAUGHAN: I do not think occupancy was down. The earnings were down a little on account of the increased wages we had to pay.

Mr. JACKMAN: Your service charges were more?

Mr. VAUGHAN: There was very little difference in the service charges. Earnings may be a little higher now because we have been granted permission to increase rates.

Mr. NICHOLSON: Did I understand Mr. Cooper to say that you could not make money on the hotels during the war, or did not make money in hotel operation?

Mr. VAUGHAN: I said we were not permitted to increase our rates.

Mr. NICHOLSON: I understood Mr. Cooper to say that this morning.

Mr. VAUGHAN: We made money on our hotels all during the war. We did not make any great amount of money but we did make money. All the hotels individually were profitable, but that happened the world over, you might say.

Mr. NICHOLSON: You did better than you did in any other five years prior to the war?

Mr. VAUGHAN: Undoubtedly.

Mr. JACKMAN: What was your rate of occupancy over the system for last year and the year before?

Mr. COOPER: I have it by hotels. Do you want it for the Chateau?

Mr. JACKMAN: I want the average figure. Approximately will do.

Mr. COOPER: I have it by hotels. I have not the average over the system.

Mr. JACKMAN: Is it 80 or 90?

Mr. COOPER: The Chateau was 84. The Prince Arthur was 84. Minaki was 82. Fort Garry was 89, Macdonald 93, Jasper Park 82, Bessborough 79. You might say about 83 or 84 per cent on the average.

Mr. NICHOLSON: Have you comparable figures for a number of years ago, say 1937 and 1938?

Mr. COOPER: No, but we can get them. I do not have them here.

Mr. JACKMAN: Would 1939 be the break-even point in hotel occupancy?

Mr. VAUGHAN: We figure on the new hotel we can break even at 60 per cent.

Mr. JACKMAN: Did you ever break even at 60 per cent on the hotels presently owned and operated?

Mr. VAUGHAN: As I said this morning this hotel that we propose to build in Montreal—I do not know when we will build it—will be constructed in a way that will enable us to operate it much more economically than any of our other hotels can be operated.

Mr. JACKMAN: There is no doubt that 80 per cent occupancy which you have enjoyed in recent years is extraordinarily high in relation to common experience.