

feature of what is the rate per room per day it was not known. I suppose one can make estimates without starting at the bottom although frequently I like to go right to the bottom and find out how it is built up. But it comes back to the point again that you could not, if you were an ordinary private concern and did not have the government of Canada behind you or parliament to advance you capital moneys, get into a situation like this. Would you not be stopped if you were on your own and not able to draw on what apparently has been an unlimited treasury?

Mr. VAUGHAN: Well, of course—

Mr. JACKMAN: It may be sound but how would you finance it if you did not have the government behind you?

Mr. VAUGHAN: If we did not have the government behind us we would not be in the position we are in. To begin with, we would have a much better financial set-up and we would not be operating a lot of unprofitable lines. There is no doubt about that. On the other hand, if we were a private institution and if I owned that property personally and could raise funds to build a hotel there I believe it would be a good paying proposition.

Mr. JACKMAN: It is the testing place of the market which gives validity to our views and our judgments on things. In other words, we may have an idea that we can go into business and do well out of it, but by the time we have tried to raise money from our friends and then gone to the bank to raise some working capital sometimes our point of view is changed.

Mr. VAUGHAN: It may be. All I can say to you is that from a very close study of this situation we think it is a good business proposition. We think it will be very useful to the railway and improve the railway's position very materially. The railways of South Africa are building hotels. The railways are building more hotels in England. They do not do it in the United States because they are not permitted to do it under the I.C.C. rulings.

Mr. JACKMAN: While some of the American railroads have not done very well it has not interfered very much with the service to the people. There are just as good hotels or better all through the United States.

Mr. VAUGHAN: Except their situation is different to ours. It may not be different in Montreal, but in some of these other places where we have built hotels it is different. We put up a hotel in Edmonton when there was no first class accommodation there, and the same in Saskatoon. You are aware, of course, that the C.P.R. has double the investment in hotels we have.

Mr. JACKMAN: They may not be profitable there, either.

Mr. VAUGHAN: They consider they have been necessary to the welfare of the railway, I think.

Mr. JACKMAN: What was the reason for the I.C.C. ruling against the railways mingling in the hotel business?

Mr. VAUGHAN: As you know the I.C.C. does not permit railways to go into any outside business of any kind. They do not operate their express. They do not operate commercial telegraphs. They are not allowed to operate passenger aeroplanes. They are not allowed to operate steamships.

Mr. JACKMAN: Is the I.C.C. composed of men who have the public interest at heart?

Mr. VAUGHAN: They are supposed to be.

Mr. JACKMAN: Or, are they just difficult to get along with?

Mr. VAUGHAN: That body is supposed to be a properly constituted body which has the interests of the country at heart.

Mr. JACKMAN: If the railways of this country, and particularly the C.N.R. with public money behind it, are going to go into every venture which may