

HOTELS

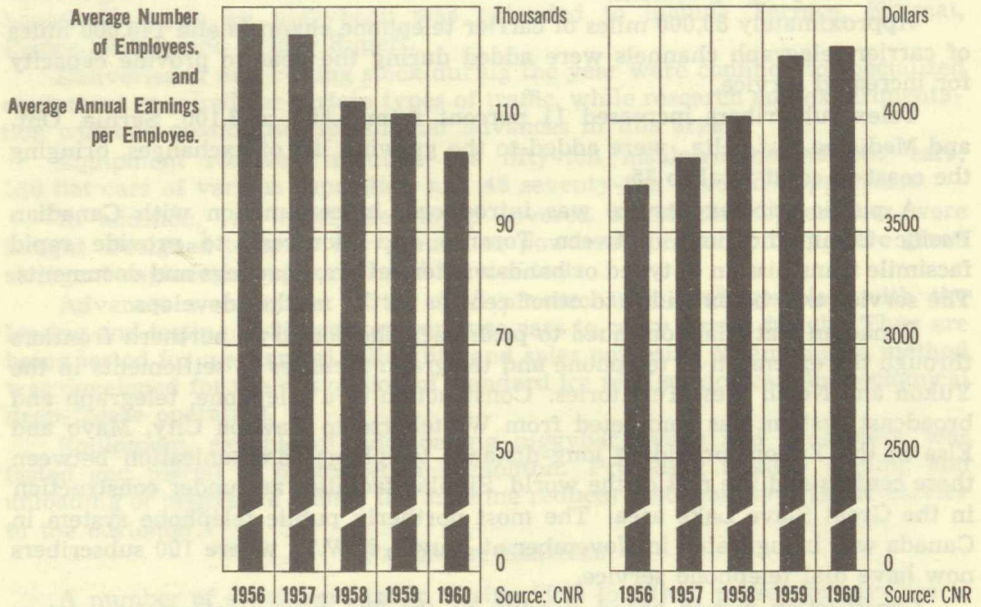
Hotel operating income amounted to \$1.9 million before interest, compared with \$2.4 million in 1959. The decrease was mainly due to higher wages, depreciation and pension charges.

The management arrangement for the operation of The Queen Elizabeth continued to be highly successful. In 1960, the CN's return, after deducting depreciation, was \$1.4 million compared to \$1.3 million in 1959.

An extension to the Nova Scotian Hotel at Halifax was opened in 1960, making available the largest tourist and convention facilities in the Atlantic Provinces. It provides 160 additional bedrooms, as well as spacious public rooms. Rehabilitation of the original wing will proceed in 1961.

The refurbishing of bedrooms at the Bessborough Hotel, Saskatoon, was completed, while a similar program to improve accommodation in the west wing of the Chateau Laurier, Ottawa, will be completed in 1961.

Improvements are also underway at Jasper Park Lodge where nine guest cabins are being replaced.



PERSONNEL AND EMPLOYEE RELATIONS

Through retraining and internal transfer, every effort was made to ensure that continuing modernization and reorganization occurred with a minimum of dislocation for the employees. In addition to established training programs which are carried out on a regular basis, numerous retraining programs were conducted to develop new skills in displaced employees, and to upgrade existing skills in others.

More than 3,000 employees in the mechanical and engineering departments received training to upgrade their skills. Retraining programs were held for 108 employees in machine bureaux operations and for 184 others resulting from the mechanization of yard offices. Other retraining courses conducted in methods study, work measurements, diesel maintenance and handling, air conditioning and refrigeration and instructional techniques were attended by nearly 300