

Thornton, having resided in Paris for some time both before and after his appointment, came to the conclusion that the Canadian National Railways should have an office on one of the main streets of the French capital, as the system is practically unknown on the Continent, that is, it is not anywhere linked up with the name of Canada. That view was corroborated the other night by the hon. member for Saltcoats (Mr. Sales) when he asked me: How is it that people from the Old Land travelling in Canada never heard of the Canadian National Railways until they reached this country? He gave an instance of travelling a few weeks ago on the train and meeting people who had just come over and who had never heard of the Canadian National line. The president is very strong in the view that we ought to have some place in Paris to which every person goes and from which everybody who comes from the Continent emanates, as it were, the result being to enable the Canadian National system to secure its share of the immigration traffic as well as of the freight traffic; and I think he had this particular building in mind. However, some little time ago he received word that just the kind of building he required so far as location was concerned could be secured. He immediately wired to a gentleman in Paris to secure this building, as there were two or three other parties after it, and the Canadian National would temporarily finance it. The building was secured not in the name of the Canadian National or in the name of the government, but in the name of this gentleman, with the understanding, of course, that the Canadian National could have it, the government could have it or any other company could have it, provided that the accommodation would be afforded to the Canadian National Railway for its operations. That was done and the building was secured. A syndicate has been formed to take it over; a gentleman is leaving New York, I think on the fifteenth of June, to conclude the details. The Canadian National will thus have a home in one of the best locations in the city of Paris, where it will hereafter be on the map, without any capital expenditure on the part of the Dominion of Canada or of the Canadian National Railways.

Sir HENRY DRAYTON: I understand that the road is financing the purchase in the meantime. How much money is being used?

Mr. GRAHAM: I think there is no money being used. We guaranteed the bank so that

this gentleman could go to the bank and finance the building. As soon as the syndicate takes over the building that guarantee will lapse.

Sir HENRY DRAYTON: So the guarantee is being given to the bank?

Mr. GRAHAM: Yes.

Sir HENRY DRAYTON: For how much?

Mr. GRAHAM: About \$2,000,000, I am told.

Sir HENRY DRAYTON: That guarantee would be given, I assume to a Canadian bank?

Mr. GRAHAM: Yes.

Sir HENRY DRAYTON: Then the Canadian bank would have to send that \$2,000,000 over to Paris?

Mr. GRAHAM: That is not exactly the detail, I think, of the banking. The Canadian National would deposit the security here in cash or otherwise, and the bank would lend the gentleman in Paris the money.

Sir HENRY DRAYTON: So that a deposit has been made with the bank of collateral of the railway sufficient to raise \$2,000,000. What collateral was deposited? Where did that come from?

Mr. GRAHAM: Did I use the word "collateral?" One of the Canadian National deposits was placed in the bank, to remain there until such time as the building is taken over.

Sir HENRY DRAYTON: Oh, well, that is better. So that \$2,000,000 in cash of the railway was applied to that purpose?

Mr. GRAHAM: To the bank.

Sir HENRY DRAYTON: Two million dollars cash of the railway was deposited in a bank?

Mr. GRAHAM: Yes.

Sir HENRY DRAYTON: Special account, to be used for the purchase of that building?

Mr. GRAHAM: No.

Sir HENRY DRAYTON: Well, put it any other way you like.

Mr. GRAHAM: It is to be retained by the bank as a financial backing in connection with the loan to this man of the money on his note.

Sir HENRY DRAYTON: Well now, my hon. friend will agree with me that that is playing with words. What happens is this: The sum of \$2,000,000 of the funds of the