

Several MEMBERS: Carried.

Hon. Mr. GRAHAM: I think you should call it the "Paris building".

Sir HENRY DRAYTON: I thought you wanted it called the "Palais Canadien"?

*By the Chairman:*

Q. Sir Henry, are you prepared to discuss that matter?

Hon. Mr. GRAHAM: I think that matter should be taken up at this time.

The CHAIRMAN: Perhaps this would be a good time to do it.

The WITNESS: Yes, I can do that. Wait until I get my papers together.

The CHAIRMAN: Gentleman, Sir Henry Thornton will give a statement first and will be followed by Major Bell, who I understand has certain details.

The WITNESS: The statement that I propose to give you refers to the reasons which led the administration to take the necessary steps to acquire suitable quarters in Paris, and Major Bell will subsequently give you a statement with respect to further details, with which he is more familiar than I.

Early in 1923 it seemed that it was essential to equip the Canadian National Railways for an expansion of business on the continent of Europe by having suitable quarters in Paris, and in this connection it also seemed desirable that simultaneously the various offices of the Dominion Government in that city might be advantageously assembled on the same site, thereby providing a centre in what is really the capital of the continent which would be entirely Canadian in its atmosphere. The particular reasons just touched upon are more specifically elaborated below:—

(1) To a large degree Paris is to-day the most important city on the continent. The activity and influence of the French Government on the continent, apart from any other reason, have contributed largely to this result. It is the centre of tourist traffic, and practically every visitor to Europe eventually either passes through Paris or spends a number of days in that city. Many of the large English and United States financial institutions have important offices there. Business conferences and meetings for the determination of business and industrial policies are held there, and broadly speaking, the industrial, commercial and banking life of the continent radiates from Paris; so that it cannot be denied that the city of Paris from every point of view is the most important metropolis on the continent. Under these circumstances, to remain without adequate representation and suitable quarters in such a centre would be to surrender that participation in European business which is essential to the business expansion and prestige of the company if it is to play its part in international traffic.

It is also to be remembered that the Canadian National Railways has working arrangements for both freight and passenger business with the White Star and Cunard steamship companies. The Canadian National Railway System collaborates with these steamship companies in the active solicitation of business destined to Canadian ports and points in the interior. While it is true that these steamship companies have, to some extent, their own offices in the various capitals of Europe, it was distinctly desirable that the travelling public should be impressed with the fact that the Canadian National Railways are not without steamship connections, and the offices proposed in Paris have an important bearing upon this aspect of the business. There is also to be considered the importance to the Canadian Government Merchant Marine the increase of our westbound tonnage.

(2) Practically all of the first rate business locations in the heart of Paris have already been taken by banking, business and transportation companies. No site of the necessary size for the purpose of the national railway system could be obtained, and the only way in which adequate quarters could be secured was thought to be through the acquisition of the Hotel Scribe; it being

[Sir Henry Thornton.]