

higher, without regard to the enormous fluctuation between the amount of francs you had to pay before the war, and the amount you have to pay to-day.

To illustrate just what this costs; I do not want to give the name, because I got this information to a certain extent in confidence, but there is a prominent insurance company in New York, who conducted the purchase of a building almost similar to this, only they handed their representative in Paris 15,000,000 francs and he was to do his best to get the tenants out and repair the property. He succeeded in doing everything he was asked to do, with one exception. This was a triangular building, and in the apex of the triangle there was a cafe, and he could not get that out. The owners of the cafe had a very, very valuable site, and to-day this building has been lying idle, with everybody out but the cafe owners, and they cannot get them out unless they pay them 6,000,000 francs, and their lease still has two years to run, and that building is simply standing there, with all this money invested. You can get some idea from this of what you have to pay on the main streets of Paris to get these chaps out. The French law protects them. It is very hard in Paris to dispossess a tenant unless you come to his own terms.

That accounts for the Grand Cafe, of 3,710,000 francs. I don't know whether you have all read this return although I think Sir Henry has, but you will notice the difference, Sir Henry, from the amount set out as the property amount. We estimated we could get the Grand Cafe out for 3,000,000 francs, but it cost finally 3,700,000 francs. Then there is a draft on the Bankers' Trust of 20,000 francs; legal fees, 60,000; payments to architects 192,000—

*By Sir Henry Drayton:*

Q. You gave us the architects altogether?—A. That payment I spoke about was to hold the option. This payment of 192,000 francs was money which Mr. Aronovici had paid out in having his architects prepare plans for the remodelling of the building. He had gone ahead and let contracts for certain changes, where he was going to instal this hotel, when we stopped him.

The Jockey Club on account of dispossession, 210,000 francs. The amount he had agreed upon with the Jockey Club, if they moved out on a certain day, was 700,000 francs. They asked for some delay in moving out, and as we could afford to do this, we agreed to that, and the option was to be reduced in proportion. The matter has been handled by Mr. Archibald, and it amounted to 212,000 francs. That was all that was paid.

In addition there is the item of taking up the option on purchase, 1,735,000 francs. That amount, Sir Henry refers to as being slightly under 5 per cent. In dealing with Mr. Aronovici, I took the ground that we would not pay him a dollar for anything unless he could produce vouchers I could place before the Board, and which could be exposed on the table of the House if necessary. He had made, or claimed to have made certain payments and as far as I could gather from Mr. Archibald's advice I have no doubt he did make the payments, but as he could not produce the vouchers for certain reasons I refused to pass the amounts, and we were held up for a while in our negotiations, but, as he could charge us 10 per cent commission, we finally agreed to pay what would equal this amount. That is why this amount of 1,735,000 francs is there. I want to make an explanation in connection with this, but I much prefer that the reporter should not take notes of it.

(Whereupon, by request of the Witness, and at the direction of the Chairman, the explanation referred to was not reported).

Major BELL (continuing). When I left, I left a certain amount of cash over there; had the cash transferred for the payments of certain things which might be necessary to go on with our work. There was about 1,720,000 francs, at the last report, on hand, so the total expenditure as of the 1st of May—I think the

[Sir Henry Thornton.]