

*By Mr. Kyte:*

Q. I have just two or three questions. What position did you occupy in railway management before going to England Sir Henry?—A. I was General Superintendent of the Long Island Railroad, which was owned by the Pennsylvania.

Q. For how long a period?—A. Three years.

Q. And you went to England when?—A. Early in April, 1914.

Q. What position did you hold there?—A. General Manager of the Great Eastern Railway.

Q. For how long?—A. Until I came here in December, 1922.

Q. In your experience, you are familiar with the way in which large corporations acquire property?—A. Yes.

Q. While you were General Manager of the Great Eastern Railway, did it become necessary for you to acquire property?—A. Oh, yes.

Q. In what respect was it acquired by you, in what manner?—A. It would depend a good deal on the character of the property, and the circumstances under which its acquisition was accomplished. Sometimes the Chairman and myself would decide that a certain property was essential for the welfare of the company, and if the circumstances justified it that property was acquired, and a subsequent report made to the Board.

Q. That property was acquired without reference to the Board of Directors in the first instance?—A. Yes.

Sir HENRY DRAYTON: That entirely depends on the bylaws of the company, and the objects of the purchase.

*By Mr. Kyte:*

Q. Could you state generally the reasons why purchases for large corporations should be made in that way?—A. Sometimes there is certain property to be acquired which is difficult of acquisition, and should the name of the purchaser be publicly known in advance of the acquisition of the property, the price would be considerably advanced, and therefore it is not an unusual practice for railway companies and large business institutions, in the acquisition of property to acquire it without reporting to the Board for approval.

Q. Did you follow the usual course in your experience with regard to this Paris property?—A. I did.

Q. Could you state generally, Sir Henry, in what respect you would probably have had to pay a larger sum for this property in Paris if it had been generally noised abroad that your company was seeking it?—A. I think it is not unlikely that the price would have become prohibitive if the name of the purchaser were known. That applies not only to railways, but it applies to people of opulence throughout the world as a whole. A rich man or a man who enjoys the reputation of wealth, if he proceeds to purchase a property or wants to acquire a property, he usually does not let his name be known until the property has been acquired, for perfectly obvious reasons. That applies to individuals and companies as well.

Q. I think you stated yesterday that it was necessary to make terms with the tenants occupying that property, to get them to vacate?—A. That is true.

Q. I suppose if those tenants knew this property was being acquired for the Canadian National Railway System you would have had some difficulty to succeed in your object?—A. Yes, that is true.

Sir HENRY DRAYTON: That is feeding it up in good shape.

Mr. KYTE: No wonder, the committee is hungry for the facts, and we are getting them now.

Sir HENRY DRAYTON: No, you are putting the words into the witness' mouth.