

that day. The president sent for me in the morning, and Mr. Aronovici was in his office. Sir Henry explained to me that it was proposed to acquire this building in the city of Paris. He started to explain where it was, on the Rue de Capucines, and so on, but that did not convey any information to me at all. The president told me that Aronovici, to whom I was introduced at that time, had or intended to obtain, I have forgotten exactly which, an option on the property, and it was thought desirable in the interests of the expansion of the property and the expansion of the traffic of the railway that this building should be acquired. The price was mentioned in a general way, but it did not convey anything to me, because it was stated in francs. However, the president was in a hurry, and he asked me if I would take Mr. Aronovici over to my office and draw up some kind of a contract with him. So Mr. Aronovici and I went over to the office and then, at that time, I drew up the first draft of this letter of April 30th, which was to be addressed to Mr. Aronovici and signed by the president. It was signed afterwards, of course.

Q. Did you get the details of that from Mr. Aronovici or from the President?—A. That is what I am coming to now. I put down the whole thing:

“I am writing this letter to you for the purpose of reporting our understanding of the tentative arrangement made with you respecting the acquisition of a location in Paris, France, for the offices of the Canadian National Railway Company, and for the Dominion Government should they desire to avail themselves of the space.”

Then I put down a description, which Mr. Aronovici gave me, and I started to put down the price, which he also gave me. In the first draft I got all tangled up in the price and cut that out, and it was filled in afterwards. Then as to the payments, I put that down, as to what he said was the understanding. We were that day advancing him \$200,000, and the letter says:

“The Railway Company will further advance to you, before the 20th of May, dollars sufficient to enable you to complete the bargain, such further advances to be placed to your credit at Morgan Harjes & Co., Place Vendome, Paris.”

That is what he said the arrangement was.

“*Security.*—The Railway Company is to be secured for all its advance by a mortgage executed by yourself upon the property for the amount advanced, to be returned to the Railway Company in Canadian money.”

Then I put in the terms of the security and the occupation, which was dictated entirely by Mr. Aronovici:—

“*Occupation.*—The Railway Company is to take space on the premises, as follows:

Basement.—Space for cinema.

First Floor.—Space for exhibition hall for Dominion Government and offices for Canadian National.

Second Floor.—About 20 rooms for the Dominion Government and the same number of rooms for administration offices of the Railway Company.

Detailed measurements and locations to be subsequently agreed upon, and subject to change on mutual agreement.