

Q. Down to that time had you, as a matter of judgment, passed on it one way or the other?—A. Only at the meeting of the Board of Directors, on the general policy of establishing an office in Paris.

Q. We have heard about that. That was a general question, and nothing said about the Scribe Hotel, and no action taken one way or the other. So at that time you did not know anything about the Scribe. My question was had you, down to the time the matter came up in the House in June of last year, gone into the merits or demerits at all?—A. As to the price of the hotel?

Q. Yes?—A. No.

Q. So then the connection is, first, doing as you were told about the 200,000 dollars, and then hearing it come up in the House?—A. Yes.

Q. Then, I take it from what you have said, that you did not discuss the matter with any members of the Cabinet down to that date—or had you?—A. No. Oh, I may have discussed with Mr. Graham the policy of buying an establishment in Paris, but not in detail.

Q. At any rate you did not discuss the Scribe with him?—A. No.

Q. Then, what is the next thing you had to do?—A. The next matter was when it came up in the House at the end of some of our estimates—I think it was the Railway Commission estimates. Something had appeared in the evening papers and a member spoke about it in the House, and Mr. Graham said he would have the information when the proper time came up.

Q. So it was through you that the Minister had his information as to the manner in which it was financed, as we went over the other day—A. Yes, sir.

Q. That is, the deposit in the Bank of Toronto?—A. Yes.

Q. You gave the Minister then the information as to the amount of money?—A. Yes.

Q. What information did you give the Minister as to the amount of money?—A. I telephoned, I think, that evening, and asked Sir Henry (Thornton) what they had paid for the building. As I remember, he told me approximately 30,000,000 francs. I translated that roughly into dollars, and it was approximately \$2,000,000. I had not, at that time, seen the letter and I did not ask him about any other details. I asked him how he proposed paying for it, and he told me how the matter was to be handled, and that the railway had deposited an amount in the Bank of Toronto to cover the amount that had been advanced to Aronovici. I did not ask him about the other items. I took it for granted it was this \$2,000,000, and when the Minister was asked for information as to the cost of the building, I told him to say "approximately \$2,000,000."

Q. He was not asked the cost; he was asked only the amount of the deposit. We had that only the day before yesterday?—A. Pardon me, Sir Henry (Drayton). At first it was as to the cost of the building.

Q. And then how it was financed?—A. Yes. We told him a total of \$2,000,000, because we knew nothing more about the balance then.

Q. That was the way you explained that the House was advised that the deposit was \$2,000,000 instead of \$2,608,000?—A. We were only dealing with the cost of the building.

Q. No, you were dealing with the deposit there. The question was as to the amount of the deposit, and we were told \$2,000,000. The deposit was \$2,608,000. Now, is there any doubt about that, or do you want me to turn up Hansard?—A. The deposit was \$2,600,000, but I am explaining all the information we had was on the cost of the building. We had not asked for the exact amount of the deposit. We knew the processes, and we took it for granted it was \$2,000,000.

Q. So there is no doubt about the House being misled, and you point out it was misled honestly?—A. Yes.