

reputation, might be obtained. After careful consideration it was concluded that the best interests of the system would be served by putting Dr. Black in entire charge of emigration and development affairs in Europe. His familiarity with Canadian conditions rendered him particularly valuable in this capacity, and, in view of this, it was decided that there would be no further need of Mr. Aronovici's services. The latter, however, had abandoned an important post with the Great Eastern Railway of England and it was only fair that a reasonable compensation should be paid him in connection therewith and also for his services relating to the acquisition of the property. In the final settlement with him he agreed to accept and received a commission which would amount to approximately five per cent of the purchase price and about \$7,500 as an allowance on account of salary. Accordingly he resigned from the service of the company.

I would like to explain that the French taxation laws are exceedingly intricate and exceedingly difficult, as we discovered, and having paid a considerable sum in transfer fees and taxes for the acquisition of the property, we felt that we were justified in trying to avoid any duplication of these transfer fees. That, after we got into it, taken into consideration with the depreciation of European currency, led us all to the conclusion that it would be more advantageous for the company to take the title to the property itself. We were further quickened in that opinion by the fact that the property is constantly increasing in value, and we were satisfied that the outside rentals for the space not occupied by the company would be more than sufficient to carry the capital charge.

Now, Mr. Chairman, that represents my statement of the matter, broadly speaking, and with particular reference to the reasons which led me to feel that the acquisition of such a property in Paris was essential for the welfare of the system. In working out the details, Major Bell went abroad for that purpose, and he can tell you the subsequent story.

By the Chairman:

Q. There were two transfers, then, altogether; one by Mr. Aronovici?—

A. Yes.

Q. And the other by him to the company controlled by the Canadian Northern Realities Company Limited?—A. That will all come out in what Major Bell will tell you.

Sir HENRY DRAYTON: What course does the committee want this to take? Do we want the whole story first, or shall we proceed to question Sir Henry Thornton?

The CHAIRMAN: Will some one move that we hear Major Bell? We may as well get it in the regular order. I will observe the wishes of the committee; if the committee wants to hear Major Bell I would like a motion to that effect, and if it is desired to question Sir Henry Thornton, a motion to that effect.

The WITNESS: I think at least some of the things Major Bell will tell you will give you the connected story. If you question me now I would have to ask him to answer some of the questions anyway.

Mr. STORK: I will move that Major Bell be heard.

The CHAIRMAN: It is moved by Mr. Stork and seconded by Mr. Kyte that Major Bell be heard.

Carried.

Major G. A. BELL: Mr. Chairman, about the 1st of August, the latter part of July or the 1st of August, 1923, Sir Henry Thornton, Chairman of the Board, asked me if I would proceed to Paris for the purpose of looking into the whole

[Sir Henry Thornton.]