

WITNESS: I am looking for that clause. I do not think I can see it.

SIR HENRY DRAYTON: I do not think it makes much difference any way.

*By the Chairman:*

Q. If there was no sinking fund you could not forfeit it?—A. The only thing I was interested in was to see that the purchase price was properly stated and that the mortgage form and drawn up by proper legal men in France. This did not amount to anything at all, except the "option to purchase" clause.

*By Mr. Kyte:*

Q. There are one or two questions here: Look at question No. 1 in the Orders of the Day of the House of Commons.—A. Oh yes, that is the lease at Prince Rupert.

Q. I will put the questions as they are here.

The CHAIRMAN: Have these any connection with the Paris deal?

Mr. KYTE: No, but since Mr. Ruel is here I would like to get some information from him.

The CHAIRMAN: I think he better finish, if there are any other questions on the Paris subject.

*By Mr. Mackinnon:*

Q. Is it usual to provide that the outgoings should be paid by the vendor in an option like that? The point is, should not the man who sold to the National Railways have paid for these tenants who had rights there?—A. It depends on the bargain.

Q. But should it not be put in the bargain?—A. It would depend on the wording of Aronovici's option, which I have never seen.

Q. It is no difference what his bargain was?—A. We were to take him over and pay him off, paying off his note and paying off his mortgage.

Q. And pay the outgoings provided they were reasonable?—A. That is left to Major Bell, to decide what were the outgoings but we would not expect Aronovici to suffer any loss in connection with the transfer fees. We want to be reasonable.

Q. Would you not look into his terms of purchase before you would draw a bargain for the C.N.R.? Would you not look into his terms, that all the tenants would get possession at a certain time or else they would be out and give that claim up?—A. Damages should be provided for and charged to the man who sold. If Aronovici were selling us there would be no question about that, but he was acting as our agent, with the right, on our part, to take him over and pay him off.

Q. If he were your agent would it not be your duty to see that you were getting the property free from all claims by tenants?—A. The original letter which I have read over once or twice, that is the letter of the 30th of April, specified certain payments which were to be made by the company for the purpose, if I remember rightly, of covering just those same things.

Q. Is there something in the letter?—A. I find this was the letter which I read, April 30th,

"You are to acquire the property in your own name for amounts not to exceed the following:

(a) 30,000,000 francs for the building and lot.

(b) 12 per cent on this amount for the taxes payable to the Government of France:

[Mr. Gérard Ruel.]