

Q. And from the information you received from all those parties, was it your impression that you got the building at a fairly reasonable price?—A. I will answer that in another way. I left Canada for Paris with the idea that it was a pretty extravagant building, not knowing the building, and the amount of \$2,600,000 seemed a lot. I am satisfied now that we will not lose any money on the building, and stand a chance of making a fair profit.

Q. That was your opinion after you left Paris?—A. Yes, and that is my opinion to-day.

Q. I do not know if you cleared up exactly the point made by Sir Henry Drayton the other day. The Minister of Railways stated there was \$2,000,000 paid for the hotel, whereas as a matter of fact the deposit in the Bank of Toronto was \$2,608,000.—A. I think that was a misunderstanding of the information that was asked for. I telephoned Sir Henry Thornton and asked him what he had paid for the property. He gave me the cost of 30,000,000 francs. I did not ask him anything about the registration fee or anything of that sort; I did not know anything about it, and I suppose he took it for granted I just wanted the price of the building. I translated that into dollars, and it was approximately \$2,000,000. Then I said, "How do you provide this?" and he told me the way the Bank was advancing the money to Aronovici, and the railway had arranged to deposit an amount equal to it in the Bank of Toronto at Montreal. I presume he thought that I was only referring to this. When the Minister was asked on the floor of the House what we had paid for the building, I told him approximately \$2,000,000 and he gave that information to the House. Then I explained to him how that was covered, not knowing about the other, and when he was asked—I think it was Sir Henry Drayton asked him—he explained it. Neither of us knew about the balance, and as a matter of fact I do not suppose Sir Henry knew we were inquiring for the balance at that time. It was a few days later, or probably some weeks later, that I saw the letter.

By the Chairman:

Q. You speak of the original price being 30,000,000 francs.—A. It is 28,000,000 francs, but in the option, you see, they did not know exactly what they were going to get; it was not to exceed 30,000,000 francs. 28,000,000 francs was the actual amount paid, but we might have gone as high as 30,000,000.

By Mr. Kyte:

Q. All the documents in connection with this purchase are in the hands of your solicitor in Paris?—A. Yes.

Q. Is he the proper custodian for these documents?—A. Yes.

Q. There is no reason why they should be in the offices of the Canadian National Railways in Montreal?—A. No; it is a French company, where the papers must be open for inspection by the French Government for taxes. We might bring copies over, but we would not be allowed to bring the originals out of France, I do not think.

Q. Sir Henry Drayton, speaking of Aronovici, expressed the opinion that you desired to get rid of him. That contains the imputation that you found Aronovici was dishonest in some way, in relation to the transaction. Is that the interpretation you put upon the phrase "get rid of"?—A. Possibly you had better let me give you my opinion of Aronovici. Aronovici is a very enthusiastic type of chap, with unlimited energy, and if he were under somebody to hold him down, I think he would be very very valuable. Leaving him to himself, I think he is far too extravagant a man; he is apt to look away into the future, possibly a little beyond what we could afford, and on these grounds I think it would have been a mistake to have kept him. Under another man he probably would be very very valuable.