

possibility of renting these buildings? Did it consider whether it would be better to rent than to purchase, and did it consider the question whether such buildings could be used after the war? In other words, what has the department in mind with respect to these buildings? In Saskatchewan, according to a return given to the house, no buildings have been purchased; whereas, in several of the other provinces buildings have been purchased, and in some a substantial number.

Mr. RALSTON: In what province have no buildings been purchased?

Mr. BENCE: Saskatchewan. I have in mind the fact that in Regina a building known as the Westman chambers is being rented for \$20,000 a year. The assessed value of the land and buildings is \$80,390. What did the department have in mind in renting rather than purchasing that building? Then, what did it have in mind when it purchased various buildings in Ottawa, rather than trying to negotiate rental payments for their occupancy?

Mr. RALSTON: Generally speaking the plan is, if at all possible, to get the use of the building rather than to invest in it. I repeat that that is the general principle. But that principle is cut into by reason of a number of considerations. One is that if we rent a building it generally has to be renovated or adapted for office use. In such circumstances we have to give an undertaking that at the end of the rental term it will be restored to its previous condition. The result is that we have found renting so costly that manifestly it would be uneconomical to rent rather than to buy. I am referring to a building, of course, which would have a post-war use. Time and again we have been tempted to use our power of expropriation of a limited interest, that is to say two, three or four years, instead of taking over entirely. And time and again our real estate advisers have reported that it would be uneconomical and bad business for us to do so, having regard to the obligations we have to undertake, (a) to make capital expenditures on the building so that it may be suitable for our use, and (b) that at the end of the time we would remake or remodel the building, so as to put it back in the shape in which it was when we took it over. I can assure my hon. friend that the keeping down of capital expenditures has been one of the cardinal principles we have tried to adopt wherever practicable. The difficulty has been that no one can guess the length of the war.

[Mr. Bence.]

The hon. member referred to the purchase of the Ottawa Ladies' College for the use of the Canadian Women's Army Corps. In that connection every consideration was gone into. I do not think the valuation of any building could have been gone into more thoroughly than was this one by our real estate officers. We were advised that the Ottawa Ladies' College refused to lease. They would sell, or nothing. This meant that we would have had to expropriate, on a limited interest, carrying it for three or four years, and then handing it back, with the liability for remodelling. As my hon. friend probably knows, it was considered desirable property as a permanent building. It was believed much good use could be made of it after the war, and the department considered the advice of our real estate advisers was sound. The result is that the purchase was made.

Mr. BENCE: Is it the thought of the department that a building like that will be resold after the war?

Mr. RALSTON: All I can say on the point is that that just depends on the need for buildings.

Mr. McCANN: Who are the appraisers or valuers in Ottawa?

Mr. RALSTON: Our chief real estate adviser is Colonel Goodwin Gibson of Toronto, who has been in the department from the beginning. He has with him a number of gentlemen, all of whom have been in the real estate business. Then, he has the benefit of the advice of real estate advisers in Ottawa. I cannot remember off-hand the name of the appraiser who worked with Colonel Gibson in the appraisal of the Ottawa Ladies' College. However I can give those names later, and I can also give the names of those who appraised the Woods and Canadian buildings and the Aylmer apartments.

The Woods and Canadian buildings are one illustration of the folly of leasing permanent buildings. I do not know how long we have had the Woods building, but I know I was there in 1926 when on an earlier occasion I was Minister of National Defence. The Canadian building was there also at that time. I am sure that in rentals paid we have paid completely for the Woods building, when we consider the time it has been occupied. It was decided we should purchase these buildings and put an end to these annual obligations. Then, we wanted to obtain the benefit of 12,000 square feet which could be obtained by joining the two buildings with a per-