

Supply—External Affairs

purpose of renting out accommodation to business people. I would like to know to what extent the department is co-operating in this program.

Mr. St. Laurent: Mr. Chairman, I think the Hon. Mr. Lawson spoke to me rather than to any other member of the government about this matter and I told him I could give him no commitment whatsoever, but that if there was a building well located, in which accommodation was available at an economic figure, I had no doubt that on such premises the government would be prepared to give consideration to making leases. But I told him I could make no commitment, and I was not going to ask my colleagues to make any commitments whatsoever. I was very guarded in all my conversations and in the two or three letters I exchanged with Mr. Lawson, because I do not feel that any prime minister, or any government, should make that kind of commitments at this time. I told him that if he had friends who thought that was a good thing to do then that would be all right, but I asked him not to say that they had offered options to the government in any statement he made, but merely to say they would be prepared to offer options to the government. I asked him to be particularly careful not to hold out any inducement whatsoever that this was a government-sponsored scheme. Personally, I thought that if he and like-minded Canadians felt that it was something they could undertake, that was all right.

As it was described to me it was something about which they did not expect to make any profit themselves but they did expect that profits would be realized and that those profits would be used to retire the senior securities. There was no suggestion that there would be any thought that the government would want to exercise an option until, as he said in the notes he showed me of the speech he intended to make, it could be turned over practically without cost. Here the scheme was for amortization over a period of several decades during which time it was suggested that the senior securities could be retired.

I was extremely careful, because I did not think that any government could make any commitment to a scheme of that kind in these days. If it turns out all right and there comes a time when most of the senior securities have been retired and those who have the junior securities have given a long-term option that is still in existence to take it over at what would have to be much less than its original cost, it might then be considered. But I do not think that a government in

office can attempt to bind future generations as to what those future generations will do when it becomes their turn to have the responsibility of making decisions.

Mr. Green: As I understand it, it is a fundamental part of the plan that the government would take over this building. As I read it in the press, the plan is that while it will be put up in the meantime by individuals, eventually it is to be turned over to the government. The statement made I think indicated that the building would pay and that therefore the government would not lose any money. That is an entirely different thing from the government renting accommodation in a building of that type, a procedure with which nobody could quarrel. What I should like to know is whether the government is planning to enter into a scheme of this kind, either by way of accepting an option or in any other way which will lead eventually to the country paying for the building and becoming a landlord in New York.

Mr. St. Laurent: I told Mr. Lawson that I would not even put it before my colleagues. I told him that I could not give any undertaking or any commitment whatsoever and that I would not put it before my colleagues to make any commitment even as to what space they would take; that the promoters would have to take the risk of having desirable space and then offering it when it was available, and that if it was desirable and was competitive with respect to rent I felt that the government at that time, whoever might be in office, would be glad to consider entering into leases.

Mr. Diefenbaker: What was the scheme? Can the Prime Minister say what the scheme was? What did Mr. Lawson offer to the Prime Minister?

Mr. St. Laurent: Mr. Lawson told me that there were individuals who were prepared to take the risk of putting up a building. First of all he suggested that the government might be one of those who would promote a building there. I told him that I would not even recommend that to my colleagues. I said: If you have friends who think that a building would be a good thing and would not involve them in any loss, they will have to do it on their own without there being any kind of a commitment by the Canadian government.

I know that we have rented space in many different parts and that it would be more convenient to be housed under one roof. But I could not give him any undertaking that there would be leases but could only say that there might be leases if at the time

[Mr. Green.]