

Public Works Act

several hundred thousands of dollars more. Mr. Bosley concludes by saying:

In my judgment it is in the crown's interest to exercise the option as before mentioned, and become the owners of this property.

Any child in elementary school could have decided that just by looking at the figures, and Mr. Bosley certainly did not say that the building was good value at the price which was paid for it. The other eastern firm upon which the minister relied in his reply to me in March of last year was E.G.M. Cape and Company of Montreal. Their letter of February 24, 1950, reads as follows:

Re: Alvin estate building, Vancouver, B.C.

Dear Sir:

We estimate the cost of the above mentioned building, according to plans, etc., to be nine hundred and six thousand dollars (\$906,000) all as per the attached breakdown.

The letter has attached to it a breakdown showing how they arrive at the figure of \$906,000, which is nearly \$160,000 lower than the government paid.

Mr. Gibson: Was the property included in that?

Mr. Green: No. Attached to the return are figures to show how the department dealt with the valuation given by E.G.M. Cape and Company. First of all they added to the \$906,000 professional and inspection fees of \$36,985, which I submit had nothing to do with the valuation of the building. Then they added \$40,000 for the land, and I do not quarrel with that. That would put the value of the building and the land at \$946,000. Then they added legal and financing fees of \$31,860, and they added to that 5 per cent profit to the Alvin Estates Limited, \$50,740, with the result that they brought the E.G.M. Cape and Company total up to \$1,065,585, which is about \$2,000 more than the government paid. But in order to get it up to that figure they padded it to the extent of about \$119,000 by these additional charges for professional and inspection fees, legal and financing fees and 5 per cent profit to the Alvin Estates Limited, the owners of the building.

Mr. Harkness: That is what is known as conjuring.

Mr. Nowlan: No wonder there was a reaffirmation.

Mr. Green: This was one of the valuations which was obtained a few weeks before the debate took place in the house. Now let us turn to the valuations which were obtained a few weeks after the debate took place, and before the government exercised its option. One is from a very reliable firm of architects in Vancouver known as McCarter and Nairne. Their valuation is dated March 10,

1950, and addressed to the deputy minister of public works. It is headed "Re Alvin Building, Vancouver, B.C.", and reads:

We are enclosing two copies of recapitulation of our detailed estimate of the cost of the Alvin building, Vancouver, B.C. This estimate does not include architects or engineering fees or the land, but deals only with the building estimate.

Then they set out the estimate in detail, and they show a total figure of \$880,440.

Again to that valuation the Department of Public Works has added a memo showing additional figures as follows: Professional and inspection fees, \$35,775; Land, \$40,000, with which again I am not quarreling; legal and financing fees, \$31,087, and profit of 5 per cent to the Alvin Estates Limited, \$49,365. In that case they could not bring the total up to the amount that was paid. They only brought it up to \$1,036,667. In my opinion that valuation has been padded by the department to the tune of about \$115,000.

There is another valuation from a reliable firm in Vancouver which was obtained after the debate and just before the government exercised its option. It is from the Northern Construction Company and J. W. Stewart Limited, a thoroughly responsible contracting firm. The letter from the president of that firm, dated March 13, 1950, addressed to the deputy minister reads:

Pursuant to your request and from the plans and information furnished us by your Mr. A. K. Mills, together with the personal inspections of the building, we have compiled price on the Alvin building on Robson street in Vancouver, on the basis that we would submit a tender for its construction today. This price amounts to \$920,300, and includes the total structure together with a clearance of the site which involved the removal of old buildings which formerly occupied it.

Trusting this gives you the information you require . . .

To that return the department has again added a memo bringing this figure up to the figure which they gave me last summer. They added \$40,000 for the land, to which I do not object; professional and inspection fees of \$38,143; legal and financing fee of \$32,314 and profit to the Alvin Estates Limited of \$51,523, bringing the total to \$1,082,280. They have again padded the valuation which was turned in by their own valuator.

This is not the whole story, because there are also three valuations in this return which were made in the year 1949 about one year before the debate took place in 1950. One of them is by the resident architect in British Columbia, a Mr. Dawson, and it is dated March 21, 1949. He shows a valuation of \$915,815. To that of course must be added the land value of \$40,000. With this valuation the department includes a memo padding