

Supply—External Affairs

I welcome the discussions which are going on between the Department of External Affairs and Department of Public Works in regard to this matter, and I hope that as a result of these discussions the Department of Public Works will be able to take from our shoulders a greater share of the responsibility for the construction and maintenance of building projects.

That will depend, of course, on a good many considerations and whether it is desirable to do so in all cases. It may well be desirable and I hope it will be considered by the Department of Public Works to be desirable to do that in cities such as London, Paris, Rome, New York and Washington. It may not be equally desirable or feasible in some of the more remote capitals. Indeed I doubt whether the Department of Public Works would like to take on the responsibility for furnishing and maintaining some of our buildings in some of the Asian countries which are pretty far removed from Ottawa and where they have no knowledge of conditions on the spot.

I would assure the hon. member that we are pursuing these discussions and I would like to express my own hope that the Department of Public Works will be able to take a greater share of responsibility in this matter.

My hon. friend mentioned the building in Rome, but I would point out to him, and I have no doubt it has been pointed out in committee, that the amount of money invested in the property in Rome, which amounted to nearly \$200,000 at one time, was earmarked for the construction not only of an embassy residence but also for the building of Canadian offices in Rome. That money was invested in the property a few years ago at a time when it was in our possession in the form of blocked lira and it seemed to us then, and still seems to us, to have been good business that, instead of keeping the money in the bank—we could not convert it into dollars—we should put it in land which is a better hedge against inflation than banks. I think our judgment has been vindicated in that respect because we have had a valuation of that property made recently and we have been assured that its value is now more than twice what it was when we bought it a few years ago.

Mr. Green: Then why not sell it?

Mr. Pearson: We may sell it, but it is good property on which to build and I am not sure whether it would be more economic to sell it and build at some other spot. However, I can assure my hon. friend that in whatever decision we may make in this regard we will have considerations of efficiency and economy in mind.

The hon. member also mentioned the situation in New York which is not, I think, exactly as he described it, because the government is not getting into the real estate business in New York in the manner in which I think he indicated. This was on the initiative of the consul general in New York and I think it was a very imaginative and useful suggestion for a co-operative building project in New York for what has been already termed a Canada House in which the government would rent space, as well as other Canadian businesses. In short, one building would cover all the Canadian offices and certain Canadian banks and agencies. That I think would be conducive to efficiency, not only as regards government offices but in relation to Canadian agencies as well. But the government itself is not responsible for that building. It is a co-operative venture in which the government may rent space. But on the hon. member's first point, I echo his hope that the Department of Public Works will be able to play a bigger part in the construction and maintenance program.

Mr. Green: First of all, Mr. Chairman, with regard to the proposed embassy in Rome, I think the situation is that the government bought this property for nearly \$200,000 planning apparently to build an embassy and a chancellery, and then found that it was against the law to build a chancellery on that property. Therefore, it certainly did not show very good business judgment, and as far as the funds being in blocked lira is concerned, these funds could be used to enable Canadian students to study in Italy, and indeed I think some of them have been spent for that purpose. But it is not a very good excuse for lavish expenditure of government funds to say that because the money happens to be there in another currency it should therefore be used extravagantly to build such places.

As regards the building in New York, the minister said the government is co-operating, but apparently the government is involved in this plan, and I would like to know whether this co-operation consists merely of renting accommodation in buildings to be built by individuals, or whether the government is going to take over that building at \$10 million, or whatever it will cost, in which event Canada will become a landlord of office accommodation in a city in a foreign country. If it is a nice thing to have a Canada House in New York I suppose it can be said that the same thing should be built in Chicago, or Seattle—

Mr. Abbott: They have one in London now.

Mr. Green: Yes, but I believe the Canada House in London was not erected for the