

Adjournment Debate

particular space from him or anyone else at a time of alleged budgetary restraint.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am not here to try and defend Mr. Campeau and his business but to answer questions on behalf of the Minister of Public Works.

[*English*]

I should like to respond further to the question raised by the hon. member on November 23 by giving the facts as they are. Public Works Canada and the Department of National Defence have been seeking suitable accommodation for long term consolidation of space requirements for the Department of National Defence and to replace outdated premises which it now occupies in Rockcliffe and in various leased premises scattered throughout the city of Ottawa. In Rockcliffe, National Defence will vacate wartime temporary buildings which are scheduled for demolition. The premises currently rented in the city are of low quality and the leases are expiring.

National Defence asked Public Works Canada to seek space which would allow it to consolidate its services in one building, thereby saving administrative and security costs. The Centennial Towers, a building which has remained vacant since its lease with the federal government expired, fit the space requirements of DND. It is in downtown Ottawa, near other DND buildings, and it is large enough to permit consolidation of various DND branches in one building. Thus, the Department of Public Works entered into lease negotiations with the owner, Campeau Corporation.

Hon. members may recall that the Department of Public Works undertook a few years ago under two successive governments to ease the burden of excess vacant office space in the private sector whenever possible, rather than building itself. We are now in a position to do just that. In lease discussions with Campeau, the Department of Public Works obtained two independent appraisal reports on the value of the property as it now exists. The appraisals were \$13.9 million and \$16.2 million.

In order that this building can meet current occupancy standards, the owner would have to undertake major renovations to the building fabric, structures and services to raise it to class A office building standards. This would no doubt be a significant expenditure. Apparently Campeau Corporation estimates that after completion of this type of renovations, the building would have a market value of approximately \$44 million. Hon. members may be assured that at the moment the lease-purchase of this building is only a proposal. Should this proposal prove to be competitive on the market today, it will be submitted to Treasury Board for approval.

The vacant space at Place du Portage in Hull to which the hon. member referred in his question was in fact assigned some time ago to the Public Archives with Treasury Board approval, and Public Archives officials are now working on detailed requirements for fitting-up this space for occupancy. In conclusion, let me say that again the hon. member is seeking a scandal which does not exist.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.