

*Inquiries of the Ministry***PUBLIC BUILDINGS**

## VALUATIONS OF ALVIN BUILDING, VANCOUVER, B.C.

On the orders of the day:

**Mr. Howard C. Green (Vancouver-Quadra):** Mr. Speaker, on Friday last the Minister of Public Works brought down a return to an order of the house made on June 21, 1950, for a copy of any and all valuations obtained by the government on the Alvin building in Vancouver, B.C. The return brought down merely gives the figures of the different valuations. As a matter of fact, I had been given these figures by the deputy minister of public works by correspondence in July of last year and had written back to him asking for copies of the valuations, which is what is called for by the order of the house. Can the Minister of Public Works tell me when I shall be able to get copies of these different valuations?

**Hon. Alphonse Fournier (Minister of Public Works):** Mr. Speaker, my attention was called to this and I was asking myself what the hon. member wished to have. He asked for copies of valuations by seven or eight firms, and we did give the amounts of the different valuations. I do not know if I have a copy of the specifications and could go into every detail. However, I want to meet the wishes of the hon. gentleman and I shall see if I can give exactly what he wants.

**Mr. Green:** I presume that each of these valuations would send in a written valuation with the reasons therefor. The return asked for a copy of these valuations as given by the valuator.

**Mr. Fournier (Hull):** I shall do my best to give particulars of that. Perhaps I can also bring in the fact that this building is now worth nearly \$2 million.

**GOVERNMENT BONDS**

## STATEMENT AS TO MARKET FLUCTUATIONS AND SALES OF CANADA SAVINGS BONDS

On the orders of the day:

**Mr. James Sinclair (Parliamentary Assistant to the Minister of Finance):** Mr. Speaker, I should like at this time to make a statement in answer to a question asked by the hon. member for Kamloops (Mr. Fulton) on Friday. He referred to a press report of a decline in the market prices of long-term government bonds—not, of course, Canada savings bonds, which have a fixed value at all times, but marketable bonds which may be bought and sold at prices agreed upon by buyers and sellers. The hon. member said that this press report suggested that the decline in such prices had been caused by interference on

the part of the government or of the Bank of Canada, and he asked for an assurance that this was not the case, that, as he put it, "bonds issued at \$100 would not become worth less than \$100 as a result of government policy."

In replying to the hon. member at the time I pointed out that the very press report to which he referred contained a denial of the original suggestion, but I promised to look into the matter further and make a statement on it today. I find there is little to be added to my previous statement, but I am glad to give the assurance requested, namely, that it is not the policy of the government, or of the Bank of Canada, to cause a fall—or, for that matter, a rise—in the market price of government bonds. That price, in the interval between the time of issue of the bonds and the date on which they fall due for payment, is a reflection of varying conditions which affect the desire of bondholders to sell and of other persons to buy. Hon. members will recall that market prices rose after the war, at times as high as 105 for the longest-dated bonds, and remained above 100 for more than five years. Since last March, however, the prices of the longer-dated bonds have been several points below 100, though the shorter-dated issues have remained at or close to par.

The hon. member referred to the fact that people had been encouraged to buy these marketable bonds, victory bonds, on the basis that they would be freely negotiable and that up to the present time they have been. I can assure him that there has been no change in that regard at all. In this connection, I would refer to the discussion which took place in this house on June 20 last during which the minister gave a full explanation in regard to these matters. I can assure the house that there will always be a market for government of Canada bonds, not at a fixed level of prices but at prices which vary from time to time in accordance with conditions of supply and demand in the market. These conditions depend on many factors, including the judgment of investors as to the revenue obtainable from alternative investments which may prove attractive either to existing holders or to potential buyers of government bonds. If hon. members have seen what has been happening in the United States, the United Kingdom and other countries, they will realize that it is not government policy or central bank policy in any western country to seek to maintain a fixed level of world prices or interest rates.

In this connection, the hon. member for Kamloops referred to assertions in press reports "that the Bank of Canada formerly supported the market for Dominion of Canada