

CHAPTER SIXTEEN

About the time our problem looked almost impossible of solution, we received one morning a telephone call from a Mr. Stan Fidler, an Albertan who had been employed by the Alberta government for a number of years. He had joined the Loyal Edmonton Regiment immediately upon the outbreak of war, had arrived in England with the first contingent in December of 1939, had served in the United Kingdom and on the Continent until being seriously wounded in 1944. After three years in hospital, he was employed by the Department of Veterans Affairs in London. Mr. Fidler expressed great interest in returning to work for the Alberta government and arranged to meet with Mr. McMullen and me for an interview.

He had heard of a property available either for sale or for rent which at the time was being used as a small but fashionable hotel. The address, 37 Hill Street, was one of the best, situated as it was near Berkeley Square in Mayfair. The building was an Adams House, then about two hundred years old. Adjoining this building was the home of Lady Astor and a few doors away that of the Right Honourable Anthony Eden.

While bomb damage was very noticeable in the district, this building was in an excellent state of repair and after the properties we had seen, I found it difficult to believe that such a desirable building could be secured. I had kept the Cabinet fully informed concerning the problems we encountered, the people we met, the meetings we held, and all things relevant to our mission. After having met Mr. Freeman, the owner of the building, through the help of Mr. Fidler, it gave me much satisfaction to be able to address the following letter to Premier Manning on January 28, 1948:

"Dear Mr. Manning,

"Before now you will have received the letter I sent last week outlining some of the difficulties we have encountered in trying to secure suitable premises as an office.

"I cited two particular cases to give you an idea as to the racket being conducted here in what is commonly called 'key money.' In order to determine whether or not key money would have to be paid, I approached two Ministers of the Crown. They informed me that while such procedure was entirely irregular, nothing apparently could be done to stop it as the practice had reached such proportions and the accommodation for businesses was so limited, that people were prepared to pay almost anything in order to secure space in any desirable district in the city. The chance of securing No. 37, Hill Street came to our attention not through an agent but through Stan Fidler who happened to hear through an acquaintance that the owner of the property was desirous of selling same. I immediately got in touch with the owner, and after having gone through the building from top to bottom, suggested that in my opinion our government would be more interested in securing a lease than in making a purchase. He pointed out at the time that the building was already going up for auction on February 12, but that he would be allowed to dispose of it otherwise prior to that date and thereby save himself the auctioneer's commission which he otherwise would have to pay. He did, however, feel at that time that he would be more interested in selling than in renting, and was prepared to place a price upon it. When I came back to see him following our telephone conversation, I found that he had discussed the possibility of leasing with his lawyer and banker. As a result of his discussions with them he became more in favour of leasing than selling. There are several reasons for this. First of all, the owner is an Australian who, having lived in this country almost steadily since World War I, is now endeavoring to dispose of his various holdings and return to Australia. Money regulations at the present time are such that he can take out of the country only twelve hundred and fifty pounds per annum if he invests in any other country than a sterling one. He had already considered investing a considerable sum of his money in Canada and was anxious to sell this particular building with that in mind. The second, and I think possibly the main reason for his preference to rent, is the fact that No. 37, Hill Street is located in the heart of Mayfair which is one of the top-notch districts in the city. I may point out that Lady Astor lives next door and Anthony Eden only one block away. Two of the finest hotels in London, the Dorchester and Grosvenor House, are located within two blocks of this building. The American Embassy is also located nearby. One of the main thoroughfares, Piccadilly, is within five minutes walking distance, and the district is well served by buses and underground trains. Mayfair has always been a residential district of renown and since the heavy bombing of the war many of its finest buildings have been taken over as business premises. Mayfair itself was hard hit in some places and we are reliably informed that the new buildings shortly to be constructed in this area will be business buildings. The sum total of this is that the value of much of this property will greatly increase. Another factor to be considered is that by far the largest area of London, so far as land is concerned, is still held by the Crown, and while a person or corporation may own a building they only hold the land on long term lease. No. 37, Hill Street, happens to be one of the few remaining buildings in the district which is freehold.

After having discussed terms, prices, etc., with the owner, I secured through the aid of various Canadian and provincial interests here, a couple of independent valuers, both of whom are unknown to the owner. I took them through the premises during the owner's absence and secured from them their ideas of value. The first man referred to it as dirt cheap at forty-five thousand pounds and suggested that if the property goes to auction on February 12 the owner would no doubt secure fifteen thousand pounds over that. The second man placed his valuation at fifty thousand pounds according to present day prices which are admittedly inflated. He followed this by stating that if such a building included freehold land, it would be exceedingly difficult to place a valuation upon it. When I informed him that it was freehold, he said "Then within two years as things are now going in Mayfair, this building will be worth its weight in gold." The situation in Mayfair three years ago, however, was vastly different to what it is today. You will understand that all of the property here is held by extremely wealthy people or by corporations. When bombs destroyed many of the choice buildings, the zoning regulations were such that only similar residences could be rebuilt. The amount of compensation received by the original owners has been very small and to try to rebuild what the zoning regulations called for, coupled with exorbitant building prices and extremely high taxes on personal incomes, proved impossible, and the district lay dormant and untouched. A few enterprising people then purchased whatever was offered for sale, at a much reduced figure, in the hope that zoning regulations would be changed. This has now come to pass with the result that we have buildings in this immediate neighbourhood now being offered for sale at a considerable profit to those who purchased during the last three years. The present owner of No. 37, Hill Street is one who so invested as he has owned the building only two and a half years. He did, however, spend a considerable sum of money in alterations, etc. The bomb damage suffered amounted to only fifty pounds and consisted merely of broken windows. I have not been able to find as much as a crack in the plaster.

The building is an "Adams" building built by the famous architects, the Adams brothers, towards the latter part of the 18th century. It possesses beauty and dignity unsurpassed in architecture and would be a credit to any government. The large entrance hall, which lends itself admirably to use as a reception hall, is floored in marble squares with a recess at the door containing the door-mat. There are two large rooms, one of which would make a lovely office for the Agent General and the second large enough to make a general office capable of utilizing a staff of up to six. The second floor is one large room the size of the building minus staircase and hall. It is presently used as a ballroom. This room, again, could be used as a general office or could be divided as desired. The next floor contains two large rooms, both of which could make lovely offices. The three upper floors contain, in all, eight rooms and while they could be used as office space, will presently make ideal living quarters for the Agent General and his family. Every floor possesses bathroom facilities and practically every room in the building is supplied with running water. Much of this plumbing has been recently installed, as the present owner has been using the building for some time as a small but fashionable hotel. If we secure this building, either by lease or purchase, I would suggest that the following use be made of it. The ground floor could, for the present, house our staff. As we expand, as no doubt we will, the second floor could similarly be used; also the one large room on the third floor. The other third floor room which is a large double bedroom equipped with private bath could be maintained as a suite for cabinet ministers or other government officials visiting England. The upper three floors, as suggested, should be the residence of the Agent General. The basement which is a fully contained housing unit, should be occupied by the caretaker. There would be still plenty of room in the basement for filing, storage, etc. This building is centrally heated by steam supplemented by a fireplace in practically all rooms. The first and second floors are served by gas. I might mention that central heating is very difficult to find in most parts of England.

Now, as I pointed out in our wire, the owner is more desirous of renting than selling, but does not want to rent with an option to purchase. He prefers to rent on a long-term lease, twenty-five years or over, on a straight yearly rental so that he may use same for purposes of borrowing if he feels so inclined. Apparently the practice of leasing with the option to buy is frowned upon in England; at least from what I have discovered it is not popular. I think personally, however, in this connection the chief objection is the possibility of an increase in the value in this particular district. His best proposition, therefore, is as follows:—

1. He will rent the entire building to us at an annual rental of three thousand pounds on a twenty-five year term. We will pay, in addition, the rates, which last year amounted to two hundred and ninety-one pounds, ten shillings. We will also pay for water, electric light and heating. The water is not metered but is set at a fixed rate per half year depending upon the use to which the building will be put. On the basis of this building being used as a hotel the half yearly rate for 1947 was twenty-three pounds, seventeen shilling. This figure no doubt can be adjusted downwards for our purposes. The electric light bill last year amounted to about eighty pounds. Coke for central heat and hot water service last year amounted to about one hundred pounds. I have checked with the Province of Ontario and find that in their lease agreement they too pay the rates and upon further investigation I find

that this particular tax is always paid by the lessee. Over and above this, of course, the owner always pays what is known as Schedule "A" Tax which in the case of this building amounts to two hundred and thirty-eight pounds, ten shillings. You will understand, of course that the rates and Schedule "A" Tax are subject to change according to the rulings of the city council. From discussing this particular matter with an executive of the city council we are informed that the rateable value of this building will undoubtedly be increased, but that as it will be used as a government office we would likely receive the preference shown to foreign legations, etc., who own their own buildings. Reduced to dollars on the present basis of exchange, the above means that the rent will cost us \$13,297.66 per annum, exclusive of water, light and heat.

2. The owner will sell the building for a cash sum of thirty-five thousand pounds or \$141,400.00. If we purchase the building we will be subject to rates and the Schedule "A" Tax amounting to five hundred and thirty pounds, or \$2,141.20. This figure, as I mentioned, is subject to change up or down according to council rulings.

The water, electric light and heating which we would pay whether we rent or purchase, amounted last year to \$920.02.

The large windows of the building in the portion which we would be using are equipped with expensive drapes and the two large rooms of the ground floor are well carpeted. Every room is well furnished for the purpose it now serves, most of which is not of much use as office furniture. The owner places a value on the furniture, drapes, etc., of roughly two thousand pounds or \$8,080.00. So anxious is he that we rent rather than buy, he is prepared to give us outright the drapes, carpets and all the furniture. This would be stipulated in any contract drawn up. He has verbally agreed that we could immediately sell anything we could not use, thereby giving us cash at this end for the immediate purchase of office furniture and I can assure you that the prices asked are extremely high and the quality offered is very poor. We have been advised, as I pointed out in our previous letter, that we should follow the example of Ontario and British Columbia and ship furniture from Canada to England. The Royal Bank, however, phoned us recently to say that they could arrange for us to purchase some very fine office furniture (see list attached) for three hundred and fifty pounds or \$1,414.00. We have not as yet had the opportunity of leaving the city in order to inspect it but I gather from the description that it is certainly worth the money. I would not, however, recommend its purchase until I have seen it. All types of furniture are scarce and expensive in London and I am sure that we could sell to advantage the surplus furniture we are being offered in this rental deal. If we buy the building there are certain articles which we should purchase from the owner, such as drapes, floor coverings, chairs, etc.

In summing up the whole thing I am sure that this is the best property we can possibly find for the money. In my opinion Alberta would never regret a purchase of this nature as I feel sure that even in the event of a depression the property in Mayfair will be the last to depreciate. As I pointed out in my last letter the owner would not be able to sell by auction for at least another twelve months if he withdrew it from the market now. I overheard him yesterday phoning his lawyer to see whether or not this could be done and gathered from the conversation that sale by auction would be out of the question for at least twelve months. This may seem strange to us but practically no other method of sale is used generally in this country. At the end of the block in which this building is situated is another, slightly smaller, offered for sale in the same way, on which the reserve bid is sixty thousand pounds. The building next to this still lies demolished as a result of receiving a direct hit and the dividing wall of the building offered for sale is bulged in two or three places. The windows are missing and the interior is completely blackened. A short distance away a man sold a demolished building for twenty thousand pounds which means that the purchaser bought nothing but the unexpired portion of a ninety-nine year lease of the building site.

I feel very keenly the responsibility of making a recommendation to the government, especially when I realize that I am a total stranger dealing with conditions very unfamiliar to Canadians. I can assure you that I have worked day and night trying to familiarize myself thoroughly with conditions prevailing here, in order that any recommendation I make may be the right one. So far I have taken only six evenings off, and while I have now been in London four weeks, I can truthfully say that I have seen nothing of it except the interior of the hotel and scores of buildings from basement to garret. It is difficult for me to explain to you in writing what one sees as he goes through one of these buildings, most of them having been bomb damaged.

After reading all this you will ask yourself as I have done, without as yet being able to supply the answer in full 'Why is this owner prepared to give us such a good deal?' I do not altogether call it altruism but from a fairly close association with the man during the past week I have learned many things about him. Like many others, he is so fed up with conditions here that he cannot leave the country fast enough to suit him. He also has a great love for Canada and Australia. He has plenty of money, although I gather that most of it is similarly tied up. He seems to prefer to give a break to us rather than give about nineteen shillings out of

every twenty shillings to the Socialist Government. He is violently anti-socialistic and I have done my best to make the most of this point. Between McMullen and me we have sold him completely on Alberta and the Social Credit Government, whose ideas, incidentally, coincide very favorably with his own. No doubt, however, he still stands to make a good profit on the building seeing that he purchased it during the period when property in this district sold for a short time at low prices owing to the regulations I mentioned above.

The main room on the ground floor which he has rented as a double bedroom with bath came vacant the day before I was first put in touch with him. As it suited our purposes much better than Grosvenor House, we immediately rented it and have thus had, for the past week, a good opportunity of studying the building, the man and the people who frequent the area generally. During this week many interested buyers have gone through the building from top to bottom and from remarks I have heard I am sure that all are prepared to make an excellent bid on the day of the sale. Many remarks have been made to me personally by these people as to its excellent condition and as to its top-notch location. From all I have seen and heard, therefore, I would have no hesitation in recommending that we purchase the building if the Cabinet attaches any importance to the standpoint of investment. On the other hand, if we rent it, it will not require nearly the outlay and our furniture problem will be partly or possibly entirely solved. We would also be in a position to analyse our situation in a year or two in the light of the then prevailing conditions. I feel sure that if you decide to purchase the building we could dispose of it for some time to come at least at a substantial profit. On the other hand, if it was decided after two or three years that we wished to discontinue operations I am sure we would have no difficulty in selling our lease. If, however, the interest that is being shown in Alberta is indicative of the way people generally here are feeling I believe we will be in business in England for a long time and would certainly say that we should view our programme from a long range standpoint and with a view to extending the service we can offer to the people of this country. Ontario and Alberta stand out in the eyes of the English people as the two provinces of Canada which are going all out to assist the people of Great Britain.

I am still waiting for official word from Westminster Council in connection with our request for permission to use this building for our purposes. We have been told verbally that the answer will be in the affirmative and we should have information in writing today or tomorrow. They did state verbally, however, that they are of the opinion that the entire building must be used for governmental and residential purposes and that we should not rent any portion of it for any other purpose. This would naturally rule out the possibility of receiving an income from the building but, as I see it, I am of the opinion that with our programme going ahead successfully, we will very shortly utilise all available space. Another point to consider also is the fact that any rentals we may receive in the event we are given permission to sub-let a portion of it would very likely be offset by an increase in the Schedule "A" Tax and rates, or both. When this building was offered for sale a brochure giving a full description of it was prepared. One of these is enclosed. You will notice that the building is narrow and high. This, however, is the general principle on which all buildings are built in this country. Attached to the building at the rear is a five-car garage with four room living quarters above. It can be purchased at an additional cost of nine thousand pounds. As the building is not very good, however, and as we have no present use for it, and as the lot can be divided as you will notice by the brochure, I would recommend that it not be considered at all in the event Council decides they wish to purchase the main building. I make reference to the garage only because I thought you may be misguided when you notice it described in the brochure. I have tried to make arrangements for a photographer to take pictures of some of the other premises we have been offered so that you too may have better knowledge of the comparisons. This, however, I have not been able to do.

Mr. McMullen has just returned from a meeting with the Agent General of British Columbia. This man has been stationed here for twenty-five years—long enough to almost become an Englishman. He has a thorough knowledge of this district and the situation which has prevailed here over a period of years. His recommendation to us is that the government would be well advised to purchase simply from the standpoint of a very worthwhile investment. His opinion, however, may be somewhat guided by the fact that B.C. House is exceedingly large and today they find themselves in a position where, despite full taxation, their revenues more than pay for their operations. I offer this as merely one other man's opinion to the Council as you endeavor to come to a decision.

I cannot think of any points I have omitted and I trust that I have furnished you with sufficient information upon which the Cabinet can make an early decision and notify me by wire.

I am due to leave London for Yorkshire on February 6 in order to address the leading industrialists there on industrial opportunities in Alberta. The owner is also exceedingly anxious to receive our decision so that he may make his arrangements accordingly as February 12 is definitely the deadline for him.

Wishing my Cabinet colleagues the very best, I am,

Sincerely yours,

A. J.. Hooke"

From here on things moved fast and on February 5 I was able to write to Mr. Freeman as follows:

L. H. Freeman, Esq.,
37, Hill Street,
London W. 1

Dear Mr. Freeman,

I am pleased to inform you that I received last evening a telephone call from the Premier of Alberta, the Hon. E. C. Manning, stating that the government had agreed to lease your building known as 37, Hill Street, Berkeley Square, London.

The terms which I outlined to the government were those upon which you and I had verbally agreed: namely, a twenty-five-year full repairing lease at an annual rental of three thousand pounds, plus the annual rates, with the furnishings of the building immediately becoming the sole property of the government. It is understood that the Alberta provincial government may make alterations within the building providing the construction and character of the building are not impaired. It is further understood that you retain those articles of furniture which you referred to as your personal belongings.

The government wishes to have two contracts drawn: one pertaining to the lease on the above mentioned terms, and the other transferring the ownership of the furniture to the Alberta government. They further wish, for the purposes of the Alberta government audit department to have an inventory taken, together with an approximate valuation of the said furnishings.

In the lease agreement the government wishes to insert a clause guaranteeing the Province the right to dispose of the lease to another party in the event of unforeseen circumstances during the life of the lease making it advisable for the government to close the office, it being understood, of course, that the new lessee is approved by you, your heirs, successors or assigns.

The legal firm of Blake and Redden are acting on behalf of the government in the preparation of all legal documents, and if these terms meet with your approval a copy of this letter will be forwarded to them and a copy supplied to you for the use of your own solicitor.

I am instructed on behalf of the government to thank you for your offer and kind co-operation in connection with this matter.

Yours very truly,

A. J. Hooke,

Minister of Economic Affairs,

Government of the Province of Alberta.

From the first day we arrived in London, various newspapers had given some publicity to Alberta's plans and letters commenced pouring in to us at the Grosvenor Hotel at an average of two hundred a day. People from all walks of life sought information regarding a future for themselves in Alberta and we were invited into all parts of the British Isles to address organizations of many kinds. Following are clippings from many of the newspapers which give some indication of the extreme interest being shown at that time by those who wished to seek a new life in Western Canada.

A public stenographer could not begin to keep up with the thousands of requests for information and it became necessary for us to pack letters into bundles, ship them back to Edmonton, where replies were sent

directly from the Department of Economic Affairs. In addition to this, people came from the farthest points of the British Isles to meet Mr. McMullen and me personally and for weeks our suite at the Grosvenor Hotel was jammed with people seeking first-hand information.

From amongst all the letters which came to us I retained a copy of one which afforded me some amusement. The writer, it seemed to me, expressed the feelings of many thousands who were fed up with the conditions which followed the war and I could not help but feel that it was the spirit she expressed that Churchill was so able to implant in the breast of every loyal Britisher which resulted in Hitler remaining on his own side of the English Channel. The letter follows:

Leicester, Jan. 4, 1948.

Dear Sir:

Please let me know prospects of emmigration for a youth aged fifteen years who wishes to train in farming. Have applied to the Board of Agriculture here but owing to feeding difficulties they are reluctant to have boys living in. When I state fifteen years old I'm sensible to the fact that it is young indeed to know one's mind, but we are an exceptional family. My families history for this war is, Son age 15, Perm R. Navy, in action before he was 16. I gave my written consent for him to do so. Daughter age 14 joins R.A.F. in Balloon section, served 5 years. I altered her age and gave my consent, Husband R. Navy 25 years. Apparently my family know what they want at 15 years and they have guts. This boy has made up his mind to emmigrate. The snag is does he have to wait until he is 18 years? At the present rate of feeding he won't be capable of pushing a matchbox let alone a hoe. So far I've never paid a doctor's bill in my life and I don't want to start, so he better get cracking whilst he is strong and well.

Yours sincerely,

Mrs. K. B.

As soon as the Cabinet had given approval to securing the premises, we were open for business. Letters and visitors continued at an accelerated pace, while at the same time requests were coming in thick and fast for us to address meetings throughout the length and breadth of the British Isles.

Mr. Stan Fidler was immediately hired, as were four other Canadians: Mr. John Banfield, Miss Janet Farmer, Miss Joyce Abbott and Mr. Reginald Taylor.

In no time Alberta House was a beehive of activity and Mr. McMullen and I found ourselves being invited to many functions in London in order that he, especially, as Alberta's Agent General, could become acquainted with his counterparts in Great Britain. We received every co-operation and encouragement from Canada House, Ontario House and British Columbia House, the only full-time Canadian houses in operation at the time. The Province of Saskatchewan was, however, establishing in London a lesser form of representation.

The Province of Ontario was extremely active by this time in its immigration program and it employed a group of young Americans who had established their own trans-Atlantic air service to transport hand-picked Britishers to Ontario.

I had learned from Canada House that the government of Great Britain was not entirely happy with an immigration program which restricted itself to accepting only those who were young and active, leaving England to take care of grandma and grandpa. Alberta's policy was designed to think in terms of the whole family and I found from my conversations with British authorities an enthusiastic response.

I had been told that as a Provincial Cabinet Minister it would not be easy to secure an appointment with a British Cabinet Minister, as, for the most part, they restricted themselves to meetings with Federal authorities. Here again, however, my mind went back to the days of my childhood in Britain and I remembered my father had, on more than one occasion, mentioned that he was personally well acquainted with the Right Honourable Ernest Bevin, who, as a labor organizer, had visited on more than one occasion the Forest of Dean. With this background, I felt sure that if Ernest Bevin were the type of individual father believed him to be, I should have no great difficulty in securing an appointment. This turned out to be the case and what commenced as a fifteen-minute promised interview in his office ended with an hour-long visit and an invitation to lunch.

After lunch, I was introduced by him to the Prime Minister, the Right Honourable Clement Attlee and Mr. Noel Baker, Minister for Commonwealth Relations. Mr. Bevin recalled with delight the two or three occasions when, in company with my father, he had succeeded in pulling a salmon from the Wye River. With a chuckle he said: "I can't remember now whether or not it was legal, but at any rate the fish made good eating."

Our entry to the many Departments of the British Government was thus assured and it was not long before I was invited to speak under the auspices of the Empire Parliamentary Association to the members of the government side of the House of Commons. In a matter of days, I received a call from Major Lockhart, Secretary of the Parliamentary Association, asking me if I would address a cross section of the membership of the House, as a number of the members of the opposition had stated they would like to receive some first-hand information concerning Western Canada and our particular mission. Naturally, I accepted the invitation gladly and look back upon it as one of the highlights of my political career, not because of any profound statements I was able to make, nor because it resulted in an influx to Alberta of people and industry, but because, for the last few minutes during which I spoke, a seat was occupied by none other than Sir Winston Churchill. Not only that, but at the close of my address, during which time I had emphasized the tremendous influence for good upon mankind had been the role of Great Britain, Sir Winston shook hands with me and said: "Keep it up, young man; you are on the right track."