

National Housing Act

do you get? You have a myth on your hands. If you are going to build a new town, you have to build the whole thing before you allow anybody to move into it. That is the whole problem of the new town concept presented by this minister.

Let us look at the question of servicing. Suppose, for example, the minister does buy a block of land. The first thing that is required is the provision of primary services. In order to provide those primary services, they must be brought to areas of existing development owned by existing owners. However, as soon as you bring a trunk sewer through undeveloped land or put a trunk road through private land held by private owners, those private owners immediately insist on their right to hook up to these services.

With this new town concept, what you really do is create string urban sprawl. It is politically impossible to say to someone that a new road, new trunk sewer and new hydroelectric service in front of his property cannot be used by him. It is politically impossible to do that. What you find all along the line between the proposed town site and the place where services can be obtained is a political requirement allowing all those persons to hook up and, therefore, you get urban sprawl. One of the things that is in fact being advocated by this minister in his new community concept is more urban sprawl.

Mr. Basford: Nonsense. It is straight Tory nonsense.

Mr. Blenkarn: The major problem with the new town concept is the huge time lag. It takes a couple of years to acquire land, probably five to eight years to complete the planning and arrange the financing and another eight to 10 years for construction. In the meantime, investment goes on without any return whatsoever. One must surely ask, after analysing the scheme, does it cost any less?

We have all seen government in action. We have all seen how government programs lead to waste. Many of us have analysed the government's attempt in the Malvern area in the east part of Toronto. This land was picked up over 20 years ago. Minimal taxes have been paid on this land throughout this period of time. People employed in government have been required to look after the land. I doubt whether their wage costs have ever been pro-rated against that land. Huge sums have been spent on planning. People employed in government have had to make representations to other governments. Finally, Mr. Speaker, that land may be brought on the market.

After analysing all of the costs, will there be cheaper house lots or not? I suggest that clear example indicates that the cost of land to the ordinary purchaser 20 years or longer after the original purchase is not cheaper. I suggest that it is actually a disaster.

Mr. Basford: Why are the provincial Conservatives bragging about it?

Mr. Blenkarn: As far as current demand for serviced lots is concerned, the delay in constructing a new town does not meet the demand of today. One is looking at a delay of 10 to 15 years, and in the meantime nothing is done to attack the pressing problem of today. Land banking and new towns are not the answer to housing require-

[Mr. Blenkarn.]

ments for today. Such propositions do nothing for young people getting married today and who wish to raise a family. They do nothing for children presently being raised in high-rise apartment buildings. They do nothing to combat present high labour costs.

It is much easier for a town to grow from an existing core. In an existing core, there are churches, stores, some form of public recreation and some form of transportation. Additions can be made to the present transportation and recreation facilities. If the central government is prepared to block fund the municipality and the province to make this development in small towns and areas possible, that block funding must cover the whole social cost of development. That is the kind of approach that must take place. That is not the approach we are receiving in this bill. We already have large private land banks around most of our major cities and towns. The only advantage of public land banking is that the profit in development accrues to the public, providing, of course, there is ever a profit.

Looking at some of the results of Crown corporations, I wonder where the dividends are to the public treasury. We have the CBC. Where are the dividends? We have Air Canada. Where are the dividends? We have "had" the CNR, and we know what dividends we get from that corporation. Private corporations, on the other hand, are subject to a corporate tax rate of 50 per cent. Half their profit goes to the government.

• (1450)

An hon. Member: That is the real rip-off—the government rip-off.

Mr. Blenkarn: So, from enterprises conducted in the private marketplace, governments benefit to the extent of 50 cents on the dollar though they have no share in equity or ownership. We already enjoy half the profits made by land developers. Why should our philosophy change now? Private development companies, many of them large corporations, are able to employ competent, top-rate staff. On the other hand, many of those presently employed in the planning departments of our cities and towns, as well as in government, just cannot compete in the private enterprise world. They show no evidence of being efficient, capable, driving or profit-oriented. In my opinion, the efficiency of production is destroyed when government gets into the act. We have seen this happen many times in various fields of activity and I see no reason to expect it to be different in the one now under discussion.

Many of the people in the new Liberal-New Democratic Party obviously think that to make a profit is terrible. To supporters of this party, making a profit is not a terrible thing.

Mr. Basford: Better support the tax cuts so that they can make more.

Mr. Gillies: Bring them in!

Mr. Basford: All talk and not much action.

Mr. Gillies: When are you going to bring them in?