

*Discussion on Housing*

considerably enlarged capital and residential construction capacity. A large and sustained volume of residential mortgage financing will also be required.

You will notice that it is only in the final sentence of the paragraph that the matter of residential mortgage financing is mentioned. Clearly the economic council does not regard a large and sustained volume of residential mortgage financing as the prime consideration in producing a large number of houses such as will be necessary by 1970 and beyond. Other factors are involved, but the debate as so far presented by the members of the opposition seems to have glossed over the other factors which evidently in the view of the Economic Council are more important and probably more difficult to provide. Certainly the money to finance housing is important, but it is also very important that we face up to the problems created by scarce land, scarce skills and scarce facilities. We do not face up to these things when we simply talk about the interest rate at which approved-lender mortgages may be obtained.

The second thing that tends to evade us is the inevitability of the high cost of housing in great metropolitan areas. When I listened last night to the hon. member for Saskatoon I thought of the Carnegies and the Fricks of New York. Perhaps the hon. member did not put this in categorical terms, but he said in effect that every family had a right to a plot of land, a garden and the other nice things one thinks of when he envisages such a plot of land. I wonder how the Carnegies and the Fricks of Manhattan would have felt about that when they gave up their houses in the centre of Manhattan. I think we simply have to face up to the fact that at the core of these great metropolitan areas it is impossible to have houses surrounded by a half acre of grass or other improvements reflecting one's horticultural ambitions. This is simply a fact of economic life.

The third point we must remember is that as our national economy grows and as our society develops there may well come a point at which the cost of concentration will exceed the savings of proximity. Let me explain to you what I mean. Manufacturers, financial corporations and the other great entities which make up our economy tend to locate their businesses and head offices in great centres. One thing leads to another. To him who hath shall be given. They all crowd in. Whether this is a good thing in economic terms is a question which is often obscured. As a result there is a kind of inward momentum or inertia in the business community and

[Mr. Stewart.]

in the minds of those who determine the answers to those questions. Places like Toronto and Montreal become the places to establish head offices.

I suggest to you that the savings of proximity in transportation and communications are very real but that there may well come a time when the costs of concentration overbalance the savings of proximity.

● (3:30 p.m.)

It would be a great mistake, it would be costly to our nation, if we were to attempt vainly to redress that balance. It would be a mistake if we were to pour additional money into the provision of certain kinds of services. This would have the effect of perpetuating these uneconomic situations.

I speak quite frankly to you, sir. I come from a part of the country where we are not much troubled by the costs of concentration. But there are those from our part of the country who have been wondering when the time would come when the inward pull of economic factors would begin to exhaust themselves and would be overcome by what I have called the costs of concentration. There is a passage in the fourth annual review of the Economic Council of Canada which bears on this point because it shows how important it is for Canadians, above all others, to keep this consideration in mind. On page 177 of the review we are told, in a comment on a table that appears on that page, that:

It is particularly significant, however, that among this group of countries Canada experienced the highest rate of increase in urban population—4.1 per cent annually—over the period of comparison. Indeed there is evidence to suggest that Canada had the fastest rate of urban growth among the industrially advanced countries for the post-war period as a whole. This basic trend in Canada, the expected strong increase in total population up to 1980, and the relatively lower levels of urbanization thus far attained, all combine to imply a dramatically faster rate of urban growth in this country compared with most other industrial economies over the period ahead.

I suggest to you, sir, that it would be unfortunate indeed if we went into this period thinking that we simply must perpetuate the growth of these great and increasingly concentrated centres. I say it would be a mistake because we would simply be requiring people, by the structure of the economy and the society, to live in places where they would probably be less happy and no more productive than they would be if this kind of artificial concentration of population were stopped.