

# Federal and Provincial Housing Schemes

## Federal Loan of \$25,000,000

The offers of the Federal Government and of the Provincial Government of Ontario to lend money for erecting houses for the working classes in Canada open up an entirely new field for government activity. Notwithstanding that the offers are made primarily as a result of the conditions created by the war, and are therefore in a sense post-war measures, they are not without significance as a revelation of a new attitude of our governing authorities towards social questions.

There has been little criticism of the action of the governments and a great deal of favorable comment. This is also significant in view of the fact that the entrance of public enterprise into a field heretofore left entirely to private enterprise introduces the possibility of far-reaching changes in our economic and social conditions, which might be regarded with apprehension by those who believe in the virtues of free competition.

The object of the government is to promote the erection of small dwellings to enable working men and returned soldiers to acquire their own homes at actual cost.

The Dominion Government has offered to lend \$25,000,000 at 5 per cent to the provinces. The administration of the fund will be in the hands of the provincial governments, most of which, it is hoped, will add a contribution of their own to the fund.

### PROVINCIAL DISTRIBUTION.

The \$25,000,000 will be divided among the provinces pro rata to the population. This means that the approximate ratio of distribution apparently will be as follows:—

Prince Edward Island . . . . .	\$ 326,000
Nova Scotia . . . . .	1,716,000
New Brunswick . . . . .	1,225,000
Quebec . . . . .	6,980,000
Ontario . . . . .	8,781,000
Manitoba . . . . .	1,586,000
Saskatchewan . . . . .	1,716,000
Alberta . . . . .	1,304,000
British Columbia . . . . .	1,366,000

By lending two million dollars, Ontario is providing nearly one-fourth additional to the federal amount, making the total about \$10,781,000. If each province could contribute on the basis of \$1 per head of population, as against about \$3.48 being provided by the Federal Government, the total sum available for the Dominion would be over \$32,000,000. Allowing for an average loan of \$3,200 per house, the number of houses which could be erected would be 10,000, occupied by 50,000 inhabitants. This will not solve the problem of shortage of houses but will be a substantial contribution to its solution.

### PROBABLE BENEFITS OF LOAN.

After all, the main purpose of the loan is to provide only the smallest houses for the wage-earners who require accommodation at a low price. If, by means of the loan, a large proportion of workmen's houses are erected, if the sites on which the houses are built are properly planned, and if the dwellings are grouped as part of a comprehensive scheme as an object lesson in proper and sanitary housing — this will have an intrinsic value far greater than is represented by the number of houses built.

The Garden City and Garden Suburb schemes of England do not house a large number of the population, but they have had a value as an example to those carrying out housing schemes all over the world. Probably the number of inhabitants in the garden cities and garden suburbs is less than will be provided for by the Canadian schemes, and yet they have beneficially affected the housing conditions of millions of people. Whether or not the same result will be achieved in Canada will depend, not on any increase of the amount of the loan, but on the skill and judgment shown in utilizing what has been appropriated.

The suggestion has been made that the actual money contribution of the government is a small one. This may be met by suggesting a comparison

between the cost of money to a workingman under ordinary conditions and the cost under the government scheme. The advantage to the workingman is not to be measured, as some commentators have put it, at the 1 per cent which approximately represents the government loss of interest, but by 3 or 4 per cent which is the difference between the interest chargeable by the government and the interest which a workingman would have to pay to a private lender.

The annual repayments on a loan of \$3,000 at 5 per cent would be about \$20 a month, and on a loan at 8 per cent. \$25—\$45 per month—representing a saving in the former case of \$65 per annum. If a workingman went to a private source for his money, he would not get the whole value of his house advanced, and would have to pay perhaps 8 per cent on, say three-fourths as a maximum loan. The other fourth could not be borrowed at all, but, assuming that it could, it would be at a much higher rate of interest. Putting the case at its very worst, the government loan will save the workingman \$65 per year on a \$3,000 house, i.e., the difference between 8 and 5 per cent, over a period of 20 years. The saving would be equivalent to about 20 per cent on the total cost of a house, and will go a long way to counteract the present high cost of building.

### A MUNICIPAL OBJECTION.

Among the few objections raised to the Federal and Provincial schemes is that the chief responsibility for administration of the actual building will fall on the municipalities. Had the governments assumed this responsibility themselves, the objection might have been that they were interfering with the "home rule" of the municipalities. The governments would be criticized either way by those who do not want public enterprise applied to housing or who favor some scheme that is less injurious to speculation. Obviously, the governments are acting in accordance with sound principles in recognizing the municipalities as the proper authorities to control the administrative details of housing schemes.

In all countries where the state governments have endeavored to assist in solving the housing problem, the chief difficulty has arisen from the lethargy of certain municipalities. It is stated that the representatives on municipal councils, being in power for a short term, are more influenced by the short view of keeping down the taxes than by helping to solve a social problem of a permanent character.

It is hoped and expected that the municipalities of Canada will approach the matter in a more progressive spirit than has been the case elsewhere. The municipalities are chiefly responsible for the making of the good or bad housing conditions of our cities and towns. Whether or not they accept the government loan they are likely to do something to deal with the housing situation, both by promoting new construction, and raising standards of old construction, since that is the only way they can carry out their promised reconstruction policy.

### PURCHASE OF LAND FOR HOUSING SCHEMES.

One of the most important questions which will arise in connection with housing schemes is in regard to purchase of land. At present the workingman has too many "interests" against him in wanting a site at a reasonable cost for a home. The real estate operator wants his big profits out of the land; the city council wants its high assessment values of land in order to keep down the tax rate; the trust company wants its mortgage securities maintained; many manufacturers want fixed assessments and other advantages, which have to be largely paid for by their employees. Against such a combination it appears difficult to get land at a cheap rate for housing schemes for workingmen and returned soldiers, but it is a difficulty that must be overcome if any substantial progress is to be made with housing reform, and if strife and friction are to be averted in the future.

The following report of the Committee of the Privy Council, dated 12th December last, shows the steps which the Federal Government has taken to give effect to its housing policy, the key-note of which is full co-operation with the provinces through a Housing Committee of the Cabinet.

The Committee of the Privy Council have had before them a report, dated 10th December, 1918, from the Acting Prime Minister, stating that by Order of the Governor-General in Council, dated 3rd December, 1918, the Minister of Finance was authorized, upon request of the Government of any province of Canada, to make loans to such Government for the purpose of promoting the erection of dwelling houses of modern character to relieve congestion of population in the towns of their respective provinces, the aggregate of such advances to all the provinces, not to exceed \$25,000,000.

By the said Order in Council it is further provided that advances may be made as soon as a general scheme of housing shall have been agreed upon between the Government of Canada and the Government of the province applying for a loan thereunder.

The Minister observes that, in view of the national importance of adequate and suitable housing accommodation, which affects vitally the health, morals, and general well-being of the entire community, it is desirable that the financial assistance thus provided should be utilized at the earliest possible date in the provision of the housing accommodation contemplated by the said Order in Council.

The Minister further observes that it is therefore desirable that a committee of the Cabinet should be appointed to be known as the Housing Committee, which shall be authorized to take up without delay with the several provinces of Canada the question of their need for additional housing accommodation and the housing programme they have in view in order to secure an early agreement with the said provinces under which the said moneys may be utilized for housing purposes.

The Minister therefore recommends:—

(1) That there be constituted a committee of the Privy Council known as the Housing Committee, consisting of the following members:—

Hon. Mr. Rowell, President of the Privy Council;  
Hon. Mr. Robertson, Minister of Labor;  
Hon. Mr. Maclean, Vice-Chairman of the Reconstruction and Development Committee of Canada;

Hon. Mr. Crerar, Minister of Agriculture.  
The Honorable Mr. Rowell is to be chairman of the committee.

(2) That this committee formulate the general principles which should be followed in any housing schemes in order to secure the results aimed at by the said Order in Council.

(3) That the committee communicate with the Governments of the several provinces of Canada in reference to the matters above mentioned with a view to agreeing with the Governments of the said provinces respectively upon any such schemes of housing, so that the moneys provided by the said Order in Council of December 3, 1918, may be applied for the purposes contemplated by the said Order.

(4) That the committee be authorized and empowered to do and perform all such further acts as may be necessary in order to carry out and give full effect to the said Order in Council of December 3, 1918.

The Minister further recommends that the said committee be authorized to secure the assistance and co-operation of Mr. Thomas Adams, the Town Planning Expert of the Commission of Conservation, and of any other person or persons specially qualified to advise or assist the said committee in carrying on its work.

The Minister further recommends that all expenditures incurred by the committee be charged to the war appropriation vote.

The committee concur in the foregoing recommendations, and submit the same for approval.