

Section 35 provides that the Federal and provincial governments may finance the servicing of raw land, thereby relieving the municipality faced with rapid expansion of having to enter the money markets to secure the sums required to finance the installation of services. Advances for this purpose are made three-quarters by the Federal Government and one-quarter by the provincial government. If the province so desires, it may make a supplementary arrangement with the municipality to bear a portion of the province's share of the investment.

This arrangement does not contemplate a radical departure from local ideas and requirements for street design and quality of services. It does not contemplate outside operators coming in to do a local job, but rather that the design, layout and quality of the services be determined by the municipal engineer. All work is awarded to private contractors after the tender calls have been advertised or done by the municipality itself. A land assembly project under Section 35 does not differ from any large, privately initiated development. The operation helps to relieve strains upon the borrowing capacity of the municipality and assures that developed land is made available by the partnership of provincial and Federal Governments to facilitate a continuing flow of new residential construction.

It is a matter of some wonder to me why, with the difficulties surrounding the development of serviced land so well known to builders, home owners, municipalities and everyone else interested in new residential construction, there have not been more proposals to us for land assembly. I can only say that every one of the twenty-four proposals put to us, with provincial endorsement, for the purchase and development of residential land, has been undertaken by Central Mortgage. Some 12,000 lots for houses have been put on the market in this way. This part of the Housing Act is available for further use. I believe that it can be of assistance in removing one of the main obstacles in the way of more housing.

The capacity of the municipalities comfortably to absorb new houses within their boundaries has been estimated to be about 3 per cent annum without undue strains being caused upon their administrative and financial capacities. By an increase of 3 per cent I mean that if a municipality of 45,000 people has within its boundaries some 10,000 residential units then it is probably the case that this municipality can arrange to absorb something of the order of 300 front doors per annum without undue strain.

A group like this is well aware that the municipalities in which most of our housing is now being built are increasing at a rate considerably in excess of 3 per cent a year. I have in mind the City of Edmonton where it is said that the annual rate of growth is of the order of 8 per cent. In Calgary the growth, although somewhat less, may be of the order of 6 per cent. East Kildonan, West Kildonan, St. James, Fort Garry and St. Vital as a group of municipalities are experiencing urban growth at the rate of about 7 per cent to 8 per cent per annum.