

National Housing Act

income groups, and I share the sentiments expressed by the hon. member for Oshawa-Whitby that it would be a tragedy if the public housing program was discontinued. That is not to say that there are not some imperfections in this program. There are, and these are being corrected, with emphasis being placed on lower density and scattered developments to prevent ghetto situations arising of the kind to which the hon. member for Calgary North referred. The emphasis given to the rent supplement program announced recently by the minister is another forward step to improve the living conditions of Canadians and will do much to prevent the isolation of the lower income groups and the attendant difficulties which so often arise on that account.

The hon. member for Calgary North drew attention to the high cost of housing, particularly in Toronto. This is certainly a situation that none of us can accept as being satisfactory. It is true in Toronto especially, but it is true also in many other urban centres. The hon. member mentioned that only 4 per cent of metro Toronto residents could afford housing and he quoted from the UDI brief to substantiate this. In fact, the UDI brief states that while in 1961 approximately 28 per cent of all income earners in the Toronto area could be said to have been able to buy a new, detached house, in 1971 only 11 per cent fell into that category, using the NHA average price statistic, or 4 per cent using a more realistic average.

These figures are based entirely on new housing costs and the perception of UDI officials of what is the average new house cost. I might mention that in Toronto, in 1971, the average cost of new, single family NHA houses was \$30,939, which required an annual income of \$12,700. On the other hand, the average cost of existing single family NHA houses there was \$22,489, with new condominium apartments costing an average of \$20,267. To support these costs required an annual income of \$9,630 and \$9,100, respectively. The latest figures available from Statistics Canada are for 1969 and show that 50 per cent of all families in Toronto earned over \$10,000 and, therefore, qualified for a single family NHA existing dwelling or a new NHA condominium apartment. About 30 per cent of all Toronto families earned over \$13,000 and, therefore, could qualify for a new single family NHA financed dwelling. I do not want to minimize the difficulties faced by the lower income groups in regard to home ownership, particularly in the urban areas. Toronto is the highest cost urban centre and I mention these figures to show that half the families there are in a position to assume home ownership in one form or another.

• (2040)

As the minister said, the bill is designed to meet the housing needs of the other income groups who would otherwise not be able to compete for housing on the open market. I think most members of this House would agree that the cost of land in Toronto is scandalous. There is no question about that. I have heard of some serviced land as far as 30 miles from the centre of Toronto where a lot costs \$22,000. In Montreal, a similar type of lot would sell for perhaps \$4,000 or \$5,000. The difference in the price of these lots is perhaps to a small degree the difference in the cost of the services, but most of the difference is purely speculative profit.

[Mr. Watson.]

It is interesting to assess the blame for all this and I should like to put on the record tonight how we got into the business of land assembly. In my view, the only long-range solution to high land prices that makes any sense are the steps announced by the minister in this bill concerning land assembly and the new communities concept. The minister has gone beyond that in his speeches in this House. He has said that he intends to use Central Mortgage and Housing Corporation as an instrument of social policy. If you combine what we have here in this bill with the expressed intention of the minister, then you have the makings of a policy with the potential to force land prices down.

In 1950 a law was passed in this parliament which allowed for land assembly with the provinces and the federal government in partnership. Since that time the federal government has been willing to pay 75 per cent of the cost of land assembly programs in partnership with the provinces. As a matter of fact, in 1954 land was so acquired in Toronto and the Malvern development resulted from that assembly. It would be interesting to speculate what the price of Toronto area land would be today had the province taken advantage of the provisions available since 1950.

In 1958 or 1959 a further carrot was held out to the provinces to enable them to get into land assembly programs when the federal government made provision for assistance for trunk sewers as part of the sewage disposal plant and trunk sewer program. However, this did not prove very successful in encouraging the municipalities to get into land assembly, although that was one of the *raison d'être* for the program. In 1964 further amendments to section 42 of the act were passed which permitted the provinces to borrow up to 90 per cent of the cost of the land to be acquired for land assembly purposes. This lending apparatus was first used by the provinces in 1966 or 1967. It finally got under way in 1970 when in all the provinces of Canada a total of \$15 million was spent on the acquisition of 2,500 acres of land. It is regrettable and tragic that many of our urban areas did not take advantage of these provisions in the law. Of course, there is blame on all levels including the federal level and all previous governments must take the blame.

I believe that the attitude toward CMHC and the National Housing Act is a reflection of our constitutional problem. For too long we tended to assume, since it was their basic domain, that the provinces should take the initiative. We left the field open to them, but they did not take action and we have ended up in the present situation. I wish now to turn to another issue raised by the hon. member for Calgary North. He made the point that the funds allocated for the new communities and land assembly program were insufficient, since out of the \$100 million earmarked for these programs \$93 million would be required for the Pickering development alone, which left only \$7 million to meet the rest of the country's land needs. I must admit that I am somewhat at a loss to understand what the official opposition party's position is in this respect. On the one hand, the hon. member for Calgary North takes the position that the \$100 million a year that we propose be set aside for land banking over the next five years is insufficient, yet on the other hand the Leader of the