

*Housing*

downgraded, but their contractual status with their landlord is a genuine relic of feudal times. With the past shortage of accommodation, they have lacked any real bargaining power. Large security deposits are demanded and often no interest is paid on them. Children and pets are often forbidden. Landlords reserve the right to enter and inspect premises at all times. Tenancies are forfeited for minor infractions. Tenants have no voice in the formulating of rules which apply to the common areas. Most critical, there is no right for the tenant to withhold rent against breaches of covenant by the landlord. Fortunately, tenants' associations are forming. There are some which, to the credit of many landlords, have obtained great co-operation, even to the point where landlords are presenting statements of profit and loss.

But not all landlords are co-operative. The solution to this injustice and frustration in our urban centres is legislation, but not federal legislation. This is a provincial responsibility. You can imagine the frustration of those inhabitants of our big cities who want better and cheaper housing when they see thousands of acres of land lying idle around our cities awaiting development. Some in Canada may be led to believe that the Prime Minister (Mr. Trudeau) is responsible for this situation. But the fact is that only the provinces have the power to open these lands for urban development. This is not a simple question of money. As it is, there is a very substantial federal contribution to education and to municipal services. The whole provincial share of municipal development can easily be taken from the pockets of the speculators by proper provincial legislation. It is a question of legislation by the provincial governments. Yet, in Ontario, in the township of Pickering for example, which adjoins the city of Toronto and which contains 80,000 acres of land suitable for development, the latest policy of the provincial government expressed through the Ontario municipal board is that only 100 residential building permits per year are to be issued.

• (4:10 p.m.)

Let me pursue this theme to show what, in my view, are the errors in provincial policies which have created this crisis. Local municipalities are run by the people who live in them in their own interests. Under present provincial law the ratepayers bear heavy burdens in connection with services; that is, sewers, water and roads, and in connection

with educational costs. A substantial part of such costs are borne in the municipal tax rate. Residential assessment alone can never raise the tax revenue required to pay for the services which a municipality provides for its residents. The solution adopted by the municipalities is to resist residential development—and who can blame them, under the present provincial legislation? But look at the problem from the point of view of the provincial government. The school children who are excluded from a particular municipality because of a ban against new housing, still have to be educated. Somewhere in the adjoining crowded city, each extra student has a desk and a teacher. So, in a broader geographic perspective, no money is saved by keeping children confined within old neighbourhoods.

What is obviously required is that the cost of education be borne above the municipal level and that ratepayers be freed from the education tax. Such a policy would permit municipalities to accept residential development without regard to the education consequences. As to the cost of services, it would be a relatively easy, if unpopular, matter for legislation to be introduced to permit the financing of such projects through assessment of the landowners whose properties would increase in value from the services to be provided. And at least in Ontario, there is no such legislation.

I would like to say a word about land banks, which have been proposed by the task force on housing. In some areas, if land can be bought at agricultural prices, land banks may have some utility. In built-up areas surrounding the big cities, where land is currently being held for development, I suggest that land banks are futile and a drain on the taxpayers. The acquisition by the government of land for development in such areas would only involve the transfer of huge sums of money from the treasury to private pockets without bringing the land purchased any closer to development. Far better to see the tax money spent on schools and services so that the land can be developed more quickly for housing. Unserviced land itself has no cost of production. Those who own land are obliged to sell at the market price, whether it cost them more or less. Yet land represents one of the greatest factors in the high cost of housing. If sensible fiscal arrangements were to be made by the provinces with their municipalities, as I have suggested, I believe that so