

When we came out of the war, many of our municipalities had a cushion in their supply of municipal services and a surplus of educational facilities. The early post-war building, therefore, did not cause undue strains upon the municipalities. However, the continued growth of new residential construction soon used up these surpluses. In many cases it was not long before new houses involved the municipality in new roads, new sewers, new water supply, new school building and generally an extension of all the facilities of the municipality. At the same time costs were rising, the expense of administration was increasing, with resultant effects on taxes, and in more recent years the money markets have not been to the liking of the municipalities. Civic administrations soon came to realize that the small house tended to be a deficit upon their books.

The net result is that today a number of municipalities are requiring that the builder or owner, at his own expense, install all the municipal services. Some are actively discouraging new residential developments. A few municipalities who, faced with educational responsibilities which they feel are too much for them, are requiring a cash contribution from the builder or owner before a building permit is issued.

I recite these difficulties because I feel that in the national total this condition, rather than shortages of materials and labour, will be the limitation upon the number of new houses which may be started in 1953. The municipalities face a difficult problem. It's one which is not easy of solution. Municipal governments, just as a provincial or Federal Government, are responsible to their taxpayers and must govern themselves accordingly. Whereas, nationally and locally, there may be great social benefits accruing from rapid residential development, there must also be the capacity of the municipality to absorb such development.

### Section 35

In the present period of very rapid urban growth municipalities are having difficulty in maintaining their traditional activity at a rate sufficient to look after a satisfactory supply of new housing. Your knowledge of the circumstances of some municipalities may satisfy you that it's a question of ability rather than willingness which has changed their policy about the provision of new and extended municipal services. When Section 35 of the National Housing Act was submitted to Parliament it became evident that the Federal Government recognized this situation. The Government is anxious that as many home owners and house builders as possible proceed with residential construction with or without financing under the National Housing Act. We felt that it was possible for the Federal Government to do something about this situation without intruding into constitutional relationships of the provinces - with their responsibility for property and local matters - and the municipalities to whom some of these responsibilities are delegated. Parliament has, therefore, made provision for financial assistance to municipalities for the development of serviced land, provided the provinces approve and participate.