

Supply—Resources and Development

account, Mr. Chairman, almost inevitably the use of section 35 has been slow.

There are now evidences that different provinces are interesting themselves and that they are prepared, in partnership with the federal government, to put section 35 actively to work. In my own province of Ontario the government has shown a lively interest in this subject and has recently made an announcement of government policy. Whereas previously the standard proportion of distribution of costs among the federal, provincial and municipal governments was 75 per cent federal, 17½ per cent provincial and 7½ per cent municipal, it has been announced that the municipal government will assume the municipal share and bear the full 25 per cent where housing provided under these development schemes is used to accommodate persons who cannot pay an economic rent. Where that accommodation is made available to persons who are well able to pay an economic rent the provincial government has said—and I think rightly so—that the municipality should be expected to bear its 7½ per cent share. Mr. Chairman, one may look hopefully to the future for more active use being made of the provisions of section 35.

When this section 35 was introduced in the house in the fall session of 1949, some of us had some difficulty because, in the light of a statement then made by the Minister of Resources and Development, we felt that it was apparently not the intention of the government to put it to use in connection with redevelopment schemes; that is to say, not schemes where virgin land is taken for construction and housing schemes but cases where an existing built-up area—presumably one where slum conditions prevail or where sub-standard housing exists—should be acquired, cleared and then made available for the construction of new housing.

In its inquiry the committee encountered that problem and has made recommendations which the minister assured us have his support; they are to be found in the report. I do not delay now to read them. However, I express the hope that at the earliest opportunity in the next session the government will introduce to the National Housing Act amendments to give effect to those useful recommendations.

One must express regret that the situation was miscalculated by the government a year ago last February when the one-sixth additional loan was withdrawn, and that it was further miscalculated at about the same time when some important and much-needed government housing projects were stopped. I am thinking particularly of the veterans housing project at the Fraserview site

in Vancouver. On that site it had been planned that 1,100 houses for veterans should be constructed but construction was stopped early in 1951. Six hundred houses were then completed and the other 500 were not proceeded with. At the end of the year, after ten valuable months had been lost, construction was resumed. The result has been not only the loss of ten valuable months but an increase in the cost of the same 500 houses which would have been carried to completion if the government had not intervened and stopped the work. The additional cost is \$400,000. It seems to me that that is a heavy price to pay for a government error and miscalculation.

This problem is still one of serious proportions. While we have had a useful and comprehensive review in the committee, I think we can all again express our concern that there is today a serious shortage of housing in Canada and that there are evident conditions today which make it apparent that the need is not likely to be met unless help is given to the municipalities and a new drive is put behind our housing effort in Canada.

Mr. Coldwell: Mr. Chairman, I shall say only a few words because the hon. member for Eglinton has covered the matter thoroughly, it seems to me, and has brought to the attention of the committee some weaknesses that have come to light in connection with our housing plans. He put on the record figures which indicated that we had fallen behind in providing homes for family units already formed or in the process of being formed. There is also, of course, the other matter which makes this an important consideration, namely that houses become obsolete as time passes, and housing becomes poor in various areas of our cities and, indeed, in our rural communities. In the figures which he presented to us, and which were given officially before the committee, no consideration was given to obsolescence and to the necessity for slum clearance and the replacement of homes both in the cities and, may I add, in many of our rural areas. I say that because while we find bad housing conditions in our towns and cities, we often find very deplorable housing conditions in the rural areas of this country. I agree with the hon. member when he says it is becoming difficult for municipalities to provide the services that are necessary. I have in mind schools, as well as sanitary arrangements including the sewers, water supply and the like.

I know that even in some of the newer subdivisions in this city of Ottawa, while the city is providing water, no provision has been made for sewage disposal, with the