

those people who had land expropriated. Some 18,000 acres of land were expropriated by the federal government for the airport and there have been a series of actions started under the Expropriation Act and outside of the Act in order to arrive at reasonable market values for the land. Obviously, any conclusion will never be satisfactory to all concerned and that is quite natural but it is my job, the job of the Department of Public Works and of this government to ensure that justice is done and that people are adequately compensated for the properties taken from them, reluctantly.

Until now the money paid to those expropriated was based upon market value or the department's judgment of market value. The two outstanding questions that have not been resolved are the valuation date of that market value and the home-for-a-home principle. The payments that have been made or offered to date are based upon market value determined as of January 30, 1973. A lot of water has flowed under the bridge since then. Some people concerned have not replaced their property because the government has held out the possibility that the airport would not be built. That being so, it is unreasonable to expect people whose property has been expropriated to replace it immediately after expropriation, because they have been led to believe that there is a possibility of their being allowed to stay on after the inquiry is over. Therefore, because these circumstances are unique, it is essential that we establish a new valuation date. It should be the date on which a person bought property to replace property he originally held. Or, at the latest, the date should be some day after a decision has been made and a report tabled about the airport inquiry. If it is decided to go ahead at that time, I believe the government will be obligated to state when the new valuation date will be. It should not be before the date of the decision and it could be as much as three months afterwards because, so far, the government has not yet given notice of possession.

● (1230)

My second point concerning justice has to do with the home-for-home principle. This has not been applied in any cases which have arisen so far. It has not been applied because it is presumed by those who interpret the Expropriation Act that market values will be sufficient to enable people to replace one home with another of equivalent premise. That may be all right in many cases but there are clearly exceptions to the rule. I wish to illustrate an exception which must be taken into account by the Department of Public Works. Of course, one can think of more than one exception.

I am speaking of, say, a retired couple living in what might be considered as a substandard dwelling, the market value of which may be \$22,000 or \$23,000, but which cannot be replaced for less than \$60,000 or \$70,000. We are obligated to give such people a home in which to live, if we take away the one in which they lived previously. There are other elements to the question which are difficult to resolve. If you give them a higher priced home because there is not one of lower value in the neighbourhood, what shall we do about the increased taxes they must pay? The husband and wife may have retired on a

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fixed income and have well afforded the home which was expropriated, because they had paid for it and the tax rate was low. If they are pushed into a subdivision, into a much more valuable home, who will pay the increased taxes? Their tax bill may rise from \$200 a year in their old home to \$900 or even \$1,000 on the new one. In my view, the Department of Public Works is obligated to make up the difference for that couple during their lifetime.

Many other problems of this type must be considered in an understanding and humane way by those who administer expropriation proceedings, so that we can make sure no one is disadvantaged economically because property is needed for the public good. That is fundamental.

The question of rental rates is also important. In Pickering, in my riding, the province of Ontario began expropriating 25,000 acres of land adjacent to the airport site. It decided to charge those expropriated rent of only \$1 per year. I prodded the federal government to do the same and it followed suit. The original agreement made with those expropriated is to expire on December 31, 1974. The province has extended its rent-free arrangement until June, 1975, to allow those who have children in the local schools to stay until that time. I believe that the federal authority should do the same.

However, there is a problem concerning equity. If you extend the rent-free arrangement ad infinitum or until such time as these people are asked to move if the airport is to go forward, some will have been allowed to stay for four or five years and others for only a few months, because some property will be used almost immediately by the Department of Transport. To get over the difficulty which will be caused by the fact that those who stay longest will gain most, I think we ought to establish some new kind of rental rate under which we can recover taxes and the amounts spent by the department in the direct control of the property. I am speaking of maintenance, policing and that sort of thing. I think that this type of rental rate would be reasonable. In doing this, we shall show the people involved that we are genuinely concerned about the difficulties which have been unwittingly inflicted upon them.

Today I shall speak mainly on housing, a subject which concerns me greatly. We have heard a great deal about high interest rates, the availability of mortgages and about land banking as a solution to the problem of housing. I do not think our difficulties fall under those headings. I do not think it is good enough to institute programs using federal, provincial or municipal funds which allow people to buy homes costing far more than they ought to cost. If we are to reduce the price of housing, we can only do this by increasing the supply of houses.

The three components which determine the value of a home are, the cost of land, the cost of building and the cost of services. Right now, the cost of land looms very large in the cost of housing. If we are to solve the problem we must take a long, hard look at it. A few years ago land in the area I come from was worth between \$4,000 and \$5,000 per building lot. Today one must pay between \$30,000 and \$35,000, and even more, for a building lot. Mr. Speaker, the land is there, just as it always was. It is no less available. What has given rise to this enormous increase in value? First, there is a lack of supply. Why, Mr. Speaker, when