

Toronto leaves us pensive. I do not say so, Mr. Speaker, to point out that there is competition among Canadian cities, but to emphasize the fact that balance in a country is based on an economic growth which takes into account a degree of weakness at each pole.

As far as human resources are concerned, for example, employment in 1966 was 1 per cent in Montreal and 2.9 per cent in Toronto. As for financial institutions, the number of headquarters in Toronto has been increasing as follows: In 1952, for each Toronto head office, there were 1.2 per cent in Montreal. In 1972, this ratio increased to 1.67. Transport, an important economic factor in the Montreal area, is deteriorating. Toronto has become the leader in air transport, is first in trucking, has further shot ahead in railway and water transport. Montreal has now only 6 per cent of the Canadian shipping of general goods, as compared with 12 per cent in 1961 and 40 per cent at the turn of the century.

The Montreal manufacturing industry also dropped off. New investment in Montreal grew from \$180 million to \$371 million between 1961 and 1971. In Toronto, in the same period, they jumped from \$168 million to \$438 million. In the communications area, the rise of Toronto has been staggering. Computers number 772 while in Montreal there are only 549. The sales situation is clearer at the provincial level, with assets of 1,873 units in Ontario against 764 in the province of Quebec. Advertising agencies are established mostly in Toronto and are the ones who feed Montreal with contracts.

The growth in the field of telephone, telex and telecomputers bears evidence to the leading part that Toronto is playing over Montreal. In the material resources and building fields, there again a sharp decline. During that period, industrial building increased by 32 per cent in Toronto and declined by 15 per cent in Montreal. The rate of use of hotel rooms is now 55 per cent in Montreal and 66 per cent in Toronto. Mr. Speaker, I deliberately leave aside a number of factors that would only better illustrate my first remarks.

Therefore, I completely agree with the Minister of Finance when he mentions in his budget that we should constrain governmental capital projects in those parts of the country where conditions continue to be tight. This selective approach, said he, as well as our regional development policies, is especially important when the economic situation is so mixed with shortages continuing in many sectors and regions and surpluses developing in others.

Now, Mr. Speaker, the budget as presented also affects a vital segment of the Canadian economy.

My colleagues who spoke before me this afternoon pointed out the importance of housing. My colleague from Yorkton-Melville (Mr. Nystrom) even said it was a social right. Mr. Speaker, I am completely in agreement with that assertion. It is nothing new. As a matter of fact, in the report of the Board of inquiry on Health and Social Welfare, better known as the Castonguay-Neveu Commission, published in 1971, one can see on page 184 the statement on the following right:

To recognize home ownership as a universal right therefore implies a direct action of the state on the whole housing industry, that today still depends almost entirely upon private enterprise.

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As universal access to education and medical care required governments to assume their responsibility in those areas, in lieu of private enterprise, so to acknowledge entitlement to housing as a universal right implies a similar need for direct intervention in housing services.

Obviously, Mr. Speaker, because of changes in our political philosophy, we have come to consider housing today as a government priority. Such a priority was reasserted in a report published in July 1974 by the Economic Council of Canada under the following title: "Toward a more stable growth in construction". Recommendation No. 7, reads as follows:

... we recommend that future low-income housing efforts be organized and funded so as to ensure a smooth growth path over a period of years, on a regional basis, independent of any swings in other residential or nonresidential construction.

There is no doubt in my mind, Mr. Speaker, that we have to separate housing, public housing, from the whole business of economic activities relating to housing in general.

The federal government has had various experiences in dealing with public housing since 1964. In 1970, a \$200 million program was to be introduced to provide for the building of low cost housing units. That program taught us meaningful lessons. In fact, it was bitterly criticized, and most of the projects developed under that program experienced operating difficulties and the Central Mortgage and Housing Corporation had to take over in several instances.

Mr. Speaker, I should like to quickly go over the facts presently underlying the building industry. We know that in 1974, the number of starts has decreased alarmingly. In fact, it dropped from 266,900 units in August 1973 to 206,100 in August 1974. There are several causes to that slowing down. The first one is the rising cost of manpower, which rose by 9.9 per cent within 12 months. Another reason is the rising cost of building materials which rose during the same period by 10.7 per cent. Besides, the regulations which were introduced to control rent increases in some classes of rental housing also had the effect of slowing down the market. Moreover, the mortgage market also experienced hard times. Interest rates have gone up and the shortage of funds has been clearly felt.

Over that same period, business investments and investments in office buildings have grown considerably. In fact, Mr. Speaker, looking at it, that increase in investments is positively colossal. In the sole Montreal area, while investments in office building construction neared \$2 billion, only 100 million were invested in public housing.

Mr. Speaker, I believe those figures speak for themselves, and we can realize the significance of housing at this time for the government.

A well balanced housing policy should have two objects in view. First, it should be aimed at preserving currently available units. the best way to do it is to pass, as soon as possible, certain regulations that would allow the Department of Urban Affairs to put a fund at the disposal of municipalities to encourage owners to renovate their dwellings in accordance with the National Building Code. This is the passive aspect of the policy, Mr. Speaker, in that it is aimed at protecting dwellings now available without increasing their number.