

Supply—Resources and Development

In reference to something I just mentioned in passing a little earlier, I wish to say that we of the official opposition still contend, and the figures to which I have just referred abundantly corroborate and support our position, that the government acted unwisely and certainly without any parliamentary authority in February of 1951 in abandoning the provision made by parliament by way of the one-sixth additional loan. You can see the results, Mr. Chairman, in the figures I have given. In fairness, I wish to make it clear that I do not say that one factor alone accounted for the decline in construction that has occurred since. I do not do that at all. Nevertheless, it is a substantial factor. Mr. Mansur himself was prepared to agree it was a factor, although not prepared to commit himself as to the extent to which it, as a factor, is reflected in the figures to which I have made reference.

There are many builders in this country who would tell you, and they are people who are close to this problem, that the elimination without warning of that one-sixth additional loan provided under section 4 of the housing act did deal a very serious blow to all housing construction in the spring of 1951. The minister says we were faced, as the government thought, with a shortage of materials, and they were taking this step with a view to conserving materials as well as to holding back house construction at a time when the government thought it might have inflationary effects. The best that can be said for the government's calculation on that occasion is that it was a miscalculation. Houses that would have been built in 1951 were not built because the government, without any authority from parliament, chose to make a dead letter of the section of this act which parliament enacted seriously and hopefully in the fall session of 1949. It is admitted, indeed it could not be denied, that houses that are being built in 1952 which might have been built in 1951 are costing more today because of that postponement for a year.

The government did come along some time later, after they had realized the error they had made in February 1951, and they did make provision for increasing the percentage of loans under part I of the housing act to 80 per cent. They went a little further than that in the case of housing units for defence construction workers. There were conditions attached to the provisions for defence construction workers which, I think it is fair to say, substantially neutralized or at least subtracted from the help that might have been expected from the changes that were made late in 1951.

[Mr. Fleming.]

I must pass quickly to a subject which is becoming of increasing importance and increasing difficulty in connection with housing. It is the problem of municipal taxation. The areas of the most acute housing shortage today are in the larger municipalities where serviced land is becoming increasingly scarce, and in the suburbs of great metropolitan areas like Toronto the shortage of serviced land is exceedingly acute. It has become so acute that municipal governments in suburban municipalities have become so alarmed at the rising cost of municipal government—particularly the cost of servicing land for housing—that, in many cases, they are requiring the builder himself to provide the servicing of the land, at his own cost and entire present outlay before they will even grant him a building permit. That fact has created a serious situation.

Educational facilities become increasingly costly. Mr. Mansur has given what he regards as a conservative average estimate that it costs \$25,000 to provide each new room in new schools in these areas where housing is being rapidly expanded and where the demand for housing is most acute today. The results are being felt more and more keenly every day as more municipalities, instead of welcoming and assisting housing, are in self-preservation putting these difficulties in the way of builders by insisting that the builders provide the services for the land; and those services, Mr. Chairman, as you well know, are becoming more costly every day. Therefore the housing problem in Canada cannot be grappled with effectively apart from some realistic approach to the problem of an inadequate municipal tax base. More provision must be made for municipal revenue if municipalities are to be expected to carry the responsibility and the load of providing municipal services, social services and educational services which the law requires them to provide today. If we want to help the housing problem in Canada, we cannot have a better slogan than this: Help the municipal governments!

Just in conclusion may I mention the subject of development schemes under section 35. This is a matter of great concern particularly in the larger urban areas where we have a great shortage of housing today and where there are many people who are unable to pay an economic rent. I should say that while section 35 had general support in the house, and was welcomed in all parts of the house, when enacted in the fall of 1949, perhaps the inherent difficulty in connection with the section is that it requires joint action at three levels of government, namely, federal, provincial and municipal. On that