

term and a long-term objective. It is first hoped to achieve a more satisfactory method of sewage disposal than septic tanks and, at a later date, achieve a method of eliminating costly sewer pipes by the production of a small unit for sewage disposal which could be built into a house. While no quick results can be expected from this work, the importance of it must be underlined. Success in this endeavour might have a revolutionary impact on land costs and physical planning.

The matter of low-cost housing is not new to the Corporation. For years, the subject has been studied and every encouragement has been given to those who are willing and able to provide such housing. In a free enterprise system, however, it is not possible to force upon the ordinary citizen something that he does not want. To produce absolutely minimum housing is perfectly feasible, but the reality of the matter is that the standard of accommodation would not be acceptable to most ordinary buyers, even buyers of modest income.

The CHAIRMAN: Thank you, Mr. Bates. Senator Crerar, do you wish to raise the question with Mr. Bates that you raised with Mr. Beecroft?

Senator CRERAR: Mr. Chairman, the only observation I have to make is that Mr. Bates has given the answer to the question that arose in my mind when I was listening to Mr. Beecroft.

The CHAIRMAN: Do you have another question?

Senator CRERAR: I have no further questions, except to say that I confirm absolutely the observation Mr. Bates makes in the closing words of his statement, which reads:

To produce absolutely minimum housing is perfectly feasible, but the reality of the matter is that the standard of accommodation would not be acceptable to most ordinary buyers, even buyers of modest income. There is just the danger that we may be living too much in the clouds in this matter and may miss the practical realities. My own view is that it is unwise, as a matter of policy, to give the impression that we are saying to people, "Here is an organization just out to serve you—come along and make your demands." Human nature is not built that way.

This is a very admirable brief, Mr. Bates.

Senator PEARSON: Mr. Chairman, may I ask Mr. Bates if there is any solution to the problem of the high cost of lots?

Mr. BATES: You will recall that the National Housing Act contains a section covering land assembly operations, which can be carried out jointly with the provinces and with the municipalities. Some land assembly operations have been carried out, but they have been too little and too late; therefore, without any real effect.

What is the use of having 300 lots in Ottawa which we can sell reasonably cheaply because we bought them five years ago? It merely gives us a problem of trying to distribute them fairly. Who is going to get the benefit of this largesse, when other lots next door are going to sell for four or five times that amount?

No one I have encountered has yet suggested nationalizing the land around cities; so, we are left, so far as we are concerned, with a piece of legislation that can become operative only if a municipality asks us to co-operate with them. This is very useful in small towns where they may perhaps lay down enough lots to do them for several years: we have a number of such smaller towns in Ontario where we have co-operated in land assembly projects. In these towns it works, but when we come to cities like Ottawa and Toronto, the land assembly projects are just not adequate. The price goes up on the very