

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday, October 31, 1972

[The House met at 2:30 pm.]

PRAYERS

[Mr. Speaker in the Chair.]

INTRODUCTION OF VISITORS

MR. LOUGHEED:

Mr. Speaker, I would like to introduce to and through you to the hon. members of the Legislative Assembly a visitor in your gallery who has a large smile on his face today. He is joining us as a newly elected member of Parliament from the Edmonton Strathcona constituency, Mr. Doug Roche.

MR. JAMISON:

Mr. Speaker, it is indeed a pleasure today to introduce you to a class of 25 students from the Sir George Simpson School in St. Albert. These students are presently studying provincial politics which is an option course at Sir George Simpson.

For the information of the hon. members, Sir George Simpson was governor of the Northwest Traders and Hudson Bay Company which later amalgamated and became solely the Hudsons Bay Company. Sir George held this position for 40 years until his death in 1860.

I would ask the students, together with their teacher, Jim Morrison, to stand and be recognized by this assembly.

DR. PAPROSKI:

Mr. Speaker, I would like to introduce to you and through you to the hon. members of this assembly, some 30 students from Queen Mary Park School, Grade VI which is located in my constituency. They are accompanied by their teacher Mr. T. Lerohl and parents, Mrs. V. Dechant and Mrs. H. Meske. They have assured me that they will write letters to me regarding concerns, and also they have assured me that they will suggest to their parents that they will write letters regarding concerns of provincial matters. I wish to thank them for taking part in the legislative process and learning something about it. I would ask them to rise now and be recognized.

ORAL QUESTION PERIOD

Civil Service Association

MR. NOTLEY:

Mr. Speaker, I would like to direct a question to the hon. Minister of Manpower and Labour. Has the hon. minister met recently with representatives of the Civil Service Association of Alberta to discuss that organization's strong objections to the government's reclassification of tradesmen to maintenance tradesmen, a move which will effectively freeze their wages?

MR. HOHOL:

The answer, Mr. Speaker, to your question as to whether I met with the Civil Service Association on this subject is yes. The inference that this would freeze wages is incorrect.

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MR. NOTLEY:

Supplementary question, Mr. Speaker. There is considerable concern in the organization about the implications of it --

MR. SPEAKER:

Could the hon. member please come directly to his question?

MR. NOTLEY:

The supplementary question, Mr. Minister, is, has the government given any consideration to establishing an arbitration board to investigate the grievances of this organization?

DR. HOHOL:

Yes, we have, Mr. Speaker. We had a lengthy afternoon meeting with the Civil Service Association and myself, and senior people of the Public Service Commission were there. This was considered.

MR. NOTLEY:

Supplementary question, Mr. Speaker. Can the minister give the House any idea of when a decision will be made on this matter, and when we might hear about it?

DR. HOHOL:

Yes, Mr. Speaker. The decision was made that same day.

Coyote Control

MR. PURDY:

Mr. Speaker, I have a question for the hon. Minister of Lands and Forests. Have you had any representation from the sheep men in the Province of Alberta in regard to coyote control?

DR. WARRACK:

Yes, indeed I have, Mr. Speaker. Most recently, in Grande Prairie, on the 17th of October when the cabinet met in Grande Prairie, and we, as a committee of cabinet, met delegations in various regards, including this one. The coyote control and general predator control problem, as it relates to agriculture generally and livestock in particular, is a difficult one, and between the Department of Agriculture and the Department of Lands and Forests in, respectively, the settled area and in the public lands areas of Alberta, we feel we are initiating some moves that can put forward greater control of this conflict.

MR. PURDY:

Supplementary, Mr. Speaker. Does the hon. minister feel that a program for total elimination of the coyote would be unhealthy for the balance of nature?

DR. WARRACK:

Yes, I do, Mr. Speaker. Total elimination is by no means necessary.

MR. PURDY:

Supplementary question to the hon. Minister of Agriculture. Have you had any representation from sheep men in the province?

DR. HORNER:

Yes I have, Mr. Speaker. I've been in fairly close contact with most of the sheep people in Alberta on a variety of problems, and this is one of them. In the Department of Agriculture, as the Minister of Lands and Forests has said, we are responsible for the settled areas. We have a predator control officer. We're stepping up the program in relation to predator control. We believe that a balanced program can eliminate most of the coyote damage without eliminating the coyote as such. It might also be interesting to the House to appreciate that the University of Wisconsin has a Wildlife Research Station in Rochester, which is just outside of Westlock in northern Alberta, and they are doing a fair

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amount of up-to-date research in regard to coyote populations in that area and in northern Alberta generally. The research so far suggests that a better cleaning-up of dead animals etc., would substantially reduce the coyote population in some of these areas.

The other program that is of particular interest is pilot project almost in the county of Athabasca, where they have done an extremely good job using a predator control officer.

MR. SPEAKER:

The Hon. Member for Edmonton Kingsway.

Land Acquisition for NAIT

DR. PAPROSKI:

Mr. Speaker, I would like to direct a question to the hon. Minister of Public Works. As a result of the expressed need of students, citizens at large, teachers and the M.L.A. for Edmonton Kingsway regarding the need for expansion

MR. SPEAKER:

Would the hon. member also please come directly to the question?

DR. PAPROSKI:

Mr. Speaker, I would like to know if the hon. Minister would inform the assembly what negotiations are taking place regarding this expansion; acquiring land and property for NAIT?

DR. BACKUS:

I'm not sure I got the question. Is it NAIT? Negotiations are in progress at the moment with regard to the possibility of acquiring more land for NAIT, but at this stage we are in the process of negotiation. Some of our negotiations will not be completed until about the end of this year, and therefore, at this stage I would rather withhold details of what the negotiations are. However, I can assure the hon. Member for Edmonton Kingsway that we are certainly looking at this problem and are trying to come up with some satisfactory answers.

Bicycle Legislation

MR. PURDY:

I have a question for the hon. Minister of Highways. Have you had any representation or will any legislation be forthcoming regarding stricter regulations in regard to bicycles, etc? Bicycles, their riding habits, licensing of them, lights, and so on.

MR. COPITHORNE:

Mr. Speaker, we had legislation in the past at the spring session regarding the bicycles in general.

MR. PURDY:

Supplementary, Mr. Speaker. Will these be enforced?

MR. COPITHORNE:

Mr. Speaker, you usually pass legislation that will be enforced.

Oil Royalties - Syncrude

MR. NOTLEY:

Mr. Speaker, I would like to direct a question to the hon. the Premier. By way of explanation, Mr. Premier, last spring during the legislation hearing into the oil royalty question, you may recall that one of the witnesses made the statement that he thought Syncrude was selling synthetic crude under the market price to the Sun Oil Corporation of the United States. Subsequently, I posed this question in the Question Period and you gave the House an undertaking that

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you would check into it. My question to you is, have you been able to do that and what is the situation?

MR. LOUGHEED:

Yes, Mr. Speaker, I have not at this stage been able to provide the hon. member with an answer, but I believe that within a period of about three weeks we have a meeting scheduled with Syncrude that involves that question and we will bring it up and I will try to get an answer. If the House is still in session, I will bring it back to the floor of the House; otherwise, I'll try to advise the hon. member.

ORDERS OF THE DAY

QUESTIONS

Aircraft for Fighting Fires

213. Mr. Taylor asked the government the following question:

- (1) (a) Were any contracts for aircraft to fight fires in Alberta entered into during the fall of 1971 or in 1972?
 - (b) If so, how many tenders were received and what was the total bid of each?
 - (c) To whom was each contract awarded?
 - (d) Were any contracts extended from 1971?
 - (e) If so, what company or companies received extensions?
 - (f) What is the total amount paid to each such company to September 30, 1972?
2. (a) Were any aircraft from outside of Alberta engaged to fight fires in Alberta?
 - (b) If so, what is the name or names of the companies and what aircraft was supplied?
 - (c) What was the total amount paid to each such company during 1972 to September 30?

[The government agreed to table the answer to this question.]

Provincial Offices - Smoky Lake

216. Mr. Dixon asked the government the following question:

What steps has the government taken to obtain larger facilities (office space) for the Department of Health and Social Development in the Town of Smoky Lake?

[The government agreed to table the answer to this question.]

Drilling Incentive Program

217. Mr. Dixon asked the government the following question:

How many oil wells have qualified up to October 15, 1972 under the government's new drilling incentive program?

If any, location of well and name of company or individual who made application for the drilling licence.

[The government agreed to table the answer to this question.]

MOTIONS FOR RETURN

Irrigation Rehabilitation

214. Mr. Speaker proposed the following motion to the assembly, seconded by Mr. Buckwell,

That an order of the assembly do issue for a return showing:

- (1) Copies of all correspondence between the Alberta government ministers and the federal government ministers with regards to the Irrigation Rehabilitation Program in southern Alberta since January 1, 1972 to the present.

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(2) Copies of all correspondence between the Premier of Alberta and the Prime Minister of Canada with regards to the Irrigation Rehabilitation Program in southern Alberta since January 1, 1972 to the present.

MR. YURKO:

The government concurs in and accepts this motion, but it is subject to the usual need for concurrence with the federal government with regard to tabling of the correspondence.

[The motion was carried without dissent.]

Mackenzie Corridor

215. Mr. Wilson proposed the following motion to the assembly, seconded by Mr. Clark,

That an order of the assembly do issue for a return showing:

A facsimile of the correspondence from the Minister of Federal and Intergovernmental Affairs to the Minister of Energy, Mines and Resources in Ottawa, supporting the request of several individuals in their desire to have public hearings on the proposed Mackenzie Valley Energy Corridor scheduled in Alberta.

[The motion was carried without dissent.]

Grande Cache

218. Mr. Dixon proposed the following motion to the assembly, seconded by Mr. Ho Lem,

That an order of the assembly do issue for a return showing:

Terms and conditions of land settlement between the the Government of Alberta and Grande Cache natives.

Copies of all correspondence and submissions to the government, premier, etc., covering the settlement since January 1, 1972.

[The motion was carried without dissent.]

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Housing Policy

MR. YOUNG:

Mr. Speaker, I move, seconded by Mr. Gitter, the following motion:

Be it resolved that the Government of the Province of Alberta give consideration to a housing policy which excludes government ownership of housing accommodation.

Mr. Speaker, the motion has been so worded for a very specific reason. The reason is that, in my view, housing policy has had very little co-ordinated and thorough searching concern. I think it is time the legislature addressed itself to what is the responsibility of the province in terms of housing. I have worded this resolution in such a manner that it is almost 180 degrees in the opposite direction of most government attempts to involve itself in housing. I certainly recognize that we are talking about a housing policy; a policy, by my terms of reference, is a statement of general direction and not a statement of absolute. In other words, I see this resolution as suggesting the direction in which the government policy should move, but not that it would be wholly without some government ownership.

Now, I think we should concern ourselves with why government has become involved in housing. In my constituency, I encountered, during the fairly recent provincial campaign, a family of five small children in the City of Edmonton, living in a house on a packed dirt floor. Now I suggest that alone, should indicate to us, that we are either in a position where some families lack sufficient income, or we have an overall shortage of housing stock. In either event, it is a concern which I feel bound to draw to the attention of this legislature.

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Mr. Speaker, on a tour last winter of housing accommodation for senior citizens in this city of Edmonton, I was in more than one house which was rented by the room to senior citizens, houses, Mr. Speaker, that required the senior citizen to keep the gas jet burning 24 hours a day in his room, in order to heat that room. I suggest again, that this assembly should give thought as to how circumstances such as these can arise.

Mr. Speaker, I, like most other members of this assembly, must surely have met young families, families with one child, two children, where the couple were both working desperately trying to save enough funds in order to gain the down payment for a house. In some cases they are paying rent which almost precludes them from ever saving this amount of funds.

Going back to my constituency, Mr. Speaker, another aspect of this problem. I have, in my constituency, the Canora neighborhood. The Canora neighborhood is an old neighborhood, as neighborhoods go in the city of Edmonton. Most housing is in the area of 20 years old, some even considerably older. Mr. Speaker, this summer will almost see the completion of street paving in this part of Edmonton; the completion of infra-structure (water and sewer) up to standards normally expected in a city. This is an older neighborhood in which 51 per cent of the homeowners recently signed a petition supporting redevelopment. They want redevelopment not in the sense of raising the whole community; not in the sense of raising that community and the houses in it and rezoning it for multiple family dwellings and apartment complexes. They want redevelopment in the sense of maintaining and upgrading that community to the standard that they would like to achieve in single family and duplex dwellings. Mr. Speaker, at this point in time in respect to that problem we are only approaching the kind of solution which I believe that community needs.

As a broader statement, Mr. Speaker, this assembly should be directing its attention to the housing policy in this province because we need, in terms of housing stock, upwards of 23,000 new dwelling units in this province annually on an average over the next five years.

Now, Mr. Speaker, one of the problems in trying ascertain what government policy should be, from my point of view, is that we know very little more than that -- 23,000 units or thereabouts -- we don't have sufficient analysis to know whether they should be apartments; whether they should be duplexes; whether they should be condominiums; whether they should be senior citizens' housing; or what they should be. The state of our government services in this direction needs considerable attention.

Finally, Mr. Speaker, I think the assembly should consider that housing accommodation in economic terms takes upwards of 25 per cent of the budget of many families. Perhaps, in terms of family expenditure as large or larger a proportion than almost any other expenditure that the family has to make. Now as families go through various stages of the life cycle of a family, of course, this amount varies depending upon whether they have to maintain a renting situation or whether they have been able to purchase and have had the somewhat questionable gift of inflation whereby their income has gone up and their housing payments have been stable over a period of time and it takes less and less of their current income.

Before I get to what would appear to be the meat of my resolution, Mr. Speaker, I think it well to review some of the developments in the housing field and to determine how we got where we are. Most of the impetus in government involvement in housing has been of a federal nature. The original, major impetus on the federal scene occurred at the conclusion of the Second World War in 1945. The major infusion of interest there developed as a result of a severe post-war shortage in housing. Now, since 1945 one-half to one-third of all housing in Canada has been developed by involvement of the federal government through the NHA arrangements. But there is a catch here; the federal government in its involvement has often treated housing as priority number two. What has been number one? Priority number one has been the economic health of the country. Housing, and the construction industry, have traditionally been used in Canada by the federal government as an economic regulator. In other words, even at the federal level, housing has never assumed a social priority that in my view, it well deserves. There are some indications that that is changing and I have no doubt that as a result of yesterday's exercise in democracy it may change even faster. But that is the situation which has prevailed. What

What about provincial involvement? Well, provincial involvement generally speaking can be said to date from the middle 60's, 1965 or thereabouts, and I would go so as to say that provincial involvement in housing has been one of very reluctant involvement. It has been one of almost coercion from the point of view of the provincial government. In this sense, the the federal government

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made certain funds available, made them available to municipalities, but made them available to municipalities through the arm of the provincial government.

The history in Alberta would indicate that we have been involved only since 1965, when there was a committee called The Housing and Urban Renewal Committee of the Department of Municipal Affairs. In 1967, it graduated to a Crown corporation development. In 1970, The Alberta Housing Corporation and subsequently, or at the same time, we have the placing of citizens beyond the circle of deputy ministers on the guiding hands of The Alberta Housing Corporation and our housing efforts in this province. But, it is only very recently that we have, it can be said, matured to take anything other than a very passive role in terms of housing. Now in fairness, it should be stated that in 1971 The Alberta Housing Corporation involved itself in 19 per cent of the housing starts in Alberta. So you can see that from seven or eight years ago we have gone from negligible involvement to a fairly high degree of involvement. And in so doing, I think it pertinent that we review where we are going and why we are going.

Now, on that score we can, if you will, look at the situation in terms of what I have tried to consider as special needs developments. The history of the program, federal and provincial, has been that a series of very specific needs have been identified, and programs fashioned to meet these very specific needs. For instance, we have at the present time subsidized rental accommodation. Now this is sometimes known as public housing. Rent is generally on a sliding scale geared to the income and family size, and the rent of the individual or the family ranges from 14 to 25 per cent of income.

We have another specific program, a program of senior citizen housing. Through this program, foundations, or organizations have been responsible to identify housing needs in a community, to approach the municipal government to get the municipal and provincial agreement, and then to take the responsibility for the housing program. We have, in the City of Edmonton this year, completed the Bissell Housing Development for senior citizens. And, it is important to note, the maximum rental by provincial agreement in the Bissell Housing Development is \$80 for single accommodation and \$120 for shared accommodation. Now through organizations we have Kiwanis Place, and I am informed that the same rates and the same conditions apply in Kiwanis Place.

More recently there has been discussion of the possibility in Calgary of what is known as Block 87 of senior citizens being placed in public housing. Now here is a good example of what happens by virtue of the programs as they have developed. In the Bissell Centre, in Kiwanis Place, a senior citizen would be paying \$80 a month rent maximum, regardless of income. Now if, on the other hand, they are able to get into public housing, in Calgary, or for that matter anywhere else, they would be on a rent geared to income basis. Supposing they had an income of \$190 a month, their rent contribution in public housing would be on the order of \$32 a month. Now I ask you, what policies do we have which suggest that senior citizens, because they are in public housing as opposed to Bissell Housing or Kiwanis Place Housing, should, be paying \$32 instead of \$80? How do we justify that in terms of the circumstances of the senior citizens in those two situations? There are unquestionably insufficient quantities of housing of either type. But it raises some pretty important issues I think, as to our policy in this direction.

We are also involved in special housing for students; in special housing for government, and staff of government, in special transitional type housing and, more recently, in a program in which I think we should all be interested, in, of assisted home ownership, whereby the Central Mortgage and Housing has agreed to make mortgages available to a maximum of \$18,000 at 8 3/4 per cent interest provided the income of the family is \$7,000 or less. The interest rate of that program will be subsidized by the federal government on a graduated basis to a maximum of 1 1/4 per cent interest. The provincial government has gone along with this program -- in fact it has gone further than the federal government -- and is prepared to subsidize again on a somewhat similar basis, to a maximum of two per cent of the interest rate. So we can see that there is a substantial form of assistance to citizens in this lower income category. I think that the best way of understanding what is happening here is by reference to the Annual Report 1971, Alberta Housing Corporation. I commend to you the graph on the inside of that booklet (the pages are not numbered but I think it would be pages four and five, or five and six), where it shows the kind of possibility currently existing, the potential for people to be placed in public housing or to move into assisted home ownership program and own their own housing eventually, and the standard AHC loan program. All of this is to be found in the annual report of the corporation and I think it is an excellent summary of the situation as I understand it to exist.

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There is another way of looking at what has been happening in housing in this province, not only here but elsewhere. Not only have we looked at the needs of special groups, but we have tried to meet them in very specific ways. In the standard approach of government (I think I can generalize and say the standard approach of government), we have looked at large numbers and we have decided that it is apparently most economic to consider the needs of a large group by siting them all in one spot. So what happens in terms of our public housing and government ownership? We have brought together large numbers of people who, by one reason or another, find themselves with relatively low incomes and have grouped them together, some people would say, in ghettos; at least in groups and in numbers which many of our citizens, rightly or wrongly, find objectionable. They argue that it lowers adjacent land values, that these people are poor neighbours, and that they don't keep up their rental units, etc.

Mr. Speaker, I am sure that any urban member here, if not rural members, should well understand the kind of exercise and excitement which can be caused by the proposal of a public housing development in some sector of the cities of Calgary, Edmonton, Red Deer, Lethbridge, or Grande Prairie; any area where the neighbours think there are going to be citizens who do not come up to the standard of conduct that they have set for themselves causes a certain amount of reaction, usually enough, I think, to colour the attitude of the whole community toward the people who, if the project goes through, will be living in that housing.

I would like to commend to the attention of the government and this assembly, an approach that Ontario has recently taken, apparently. The news clipping appeared in the Edmonton Journal on October 17th, where apparently in Ontario the government is now giving consideration in assisting developers to develop housing accommodation, but doing so in return for a long-term lease for a certain number of units in that development; a lease which allows them to scatter the people who would otherwise be in public housing. Under this scheme, the housing will not be owned by the government, but will, in fact, be owned, cared for, and maintained the same as the other units of that particular property. On the other hand, the government will be able to place in those suites or in that housing the citizens who would, under other conditions, go into government-owned public housing.

There are, in my view, a number of objectives the government should be searching for in trying to achieve its goals in the housing field. I think that we have to look forward to the comfort and the independence of the individual in terms of being able to have some space to himself. This is a very great ideal. We need to be able to have a sufficient number of dwellings available for all families. And we need to do this in a manner which respects the traditions of our society and the values that people hold dear.

I think it's a very great shame when young couples starting out today do not even have the possibility in some instances -- they do not even see the star in the distance -- of being able to own their own house, or, for that matter, to deal freely on the market if they are in a situation of low income. In other words, I think we should be able, through a series of government programs, to help people to own as much of their housing as is possible. I am convinced that there is no greater incentive to the maintenance of property, than the pride of ownership which is concomitant with living in that property and owning it. There is no greater incentive than owning property, which will encourage people to keep it up.

I think, by the programs to this date, we have made the assumption -- perhaps this isn't a fair assumption -- but I think we have made the assumption that if we're going, as a government, to subsidize people, we are going to do this by virtue of owning the property ourselves; that we must not do anything, we must not give out any money to citizens in unfortunate circumstances that may get back to the hands of private enterprise. Private enterprise just shouldn't make a profit on somebody else's misfortune, especially if that misfortune is being subsidized by the government. Maybe this is true, but I think in making that assumption we have closed many doors and many possibilities, and I question whether that's a good assumption anyway.

I draw to your attention an article by David V. Donneson in "Housing Policy." He says: "Public ownership solves nothing by itself. It only poses the old problem in new ways. It's easier to solve in some respects, but harder in others. What matters most is not ownership, but control, leadership and the uses to which they are put."

He is talking here about the housing situation and he is suggesting, I think, that we should be less concerned, as government, about needing to own everything into which the government puts money, and more concerned about

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meeting our social obligations. Mr. Speaker, that is my concern. I think it is time that we stood back and took a look at all the programs in housing and at the objectives we ought to have as a government, and try to relate all of these.

I think we should do this by asking ourselves whether, in fact, the provincial government can continue to maintain a fairly passive role in housing, and let the municipalities, or encourage the municipalities, to go on trying to build public housing, whether they do it in large agglomerations of 100 units at a time, 20 units at a time, or however they do it. Can they, in fact, meet the challenge this way, and if they do meet it, is it the best way of meeting the challenge of our society?

In that respect, I'd like to read to you a paragraph from "News for Seniors," a little publication put out by the Society for the Retired and Semi-Retired here in Edmonton, in March, 1972. They reported on the experience in Akron, Ohio. They say, "Akron, Ohio has 300,000 people with seven per cent eligible for public housing. In 1968 there were 600 families waiting for housing. Since then, 3,500 units have been built; 6,000 families are on the waiting list. Akron faces the same problems as any other municipality -- land, labour, building codes, and money. Once housing is built, social services are desperately needed for the low-income families and the elderly."

Now, I'd like to underline that when Akron started building there were 600 families on the waiting list. Three years later there were 6000 families on the waiting list. In fact, our attempts to build public housing just plain aren't adequate and, I don't have the quote before me at the moment, but the significance of the demand and the inability of government to meet this demand can be found in a recent report of Central Mortgage and Housing Corporation. I've forgotten whether it's the last or the second last report, but one of those reports refers to the housing crisis, or at least the housing shortage in this country and the demands for housing. It suggests that in 1968, '69 and '70, for the first time the federal government has more demands for housing funds than it can meet and it sees this situation growing progressively worse. I suggest to you that if, as a provincial government we accept the responsibility in this area, to try to maintain a housing start which gives people a variety of choice and to try to maintain the unfortunate families and individuals in our society in decent housing, we ourselves are not very far away from that day when we will find that the government does not have sufficient funds to do the job. We are going to have to rely on involvement of the private sector.

Therefore, Mr. Speaker, I, in praising the resolution have gone 180 degrees from our traditional approach of government involvement in housing and I suggest that we ought well to consider that direction; that we ought to consider just how far we are going to go in government ownership of housing accommodation. It is my contention that we cannot do it; that we will run out of funds eventually to provide government owned accommodation to all citizens; that we do not provide the best of accommodations in trying to do it ourselves. We cannot provide the range of accommodation required and the flexibility. We should in consequence take a hard look at more and better means to involve private enterprise and to assist people in owning their own homes.

This is not to say there will not be a role for government ownership of some types of housing, but it is to suggest that we should almost completely reverse the direction we have been going in trying to resolve this problem.

Finally, Mr. Speaker, I am going to toss a suggestion to Her Majesty's Loyal Opposition in the House and I would like to express my concern that their interest is greater in this topic than it was in the question period this afternoon, otherwise I trust that Her Majesty's Loyal Opposition will be regarded as not being very effective. [Interjections] Bad night? Well, Mr. Speaker, I look forward to their comments and trust that we will -- [Interjections]

MR. LUDWIG:

Point of order. If the hon. member has nothing more to say, why doesn't he sit down?

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MR. YOUNG:

Mr. Speaker, since the hon. Member for Calgary Mountain View would dearly love, apparently, to get the microphone I will sit down and challenge him to present his views on housing and the government responsibility in this field.

MR. GHITTER:

Mr. Speaker, in rising to address some thoughts to the very topical resolution that is before the House today.

I must first apologize for a somewhat raspy voice. It seems that there were some celebrations in my constituency last night that I couldn't resist and so if I whisper at times, it is not because I am trying to create any impression of -- I will leave out the word, Mr. Speaker -- but it is more a case of having enjoyed a very savoury victory in Calgary Centre last evening. So I hope you will accept my apologies. Do you have a response to that, hon. Member for Mountain View?

MR. LUDWIG:

Yes, Mr. Speaker. The hon. member also doesn't look very well today.

MR. GHITTER:

I can only respond to that, Mr. Speaker, by saying it's not how we look on the outside, it is how well we feel inside.

Mr. Speaker, if I may address a few thoughts to the problem of what we call, these days, public housing. I want to present my view as that of a person and of a member very concerned with many of the difficulties we have in the area of public housing. It is not to be construed as criticism of the Alberta Housing Corporation. They are dealing with what I think is a very difficult problem since their establishment in 1967. I feel that we must always take a new look at housing problems. We must always keep our minds open. Public housing is a very changing area which requires continual reexamination. I know that the Alberta Housing Corporation is very concerned as well with these very problems.

The prime stated objective of the Alberta Housing Corporation is the provision of housing for families and individuals of low and middle income categories; allied to this very worthy objective, is the thought that I must inject in the debate today -- that the private sector should be more involved in areas of housing, and that government should be less inclined to enter in a direct ownership way.

I knew the hon. member for Calgary Bow would enjoy that comment. I trust we will hear from him shortly.

Before discussing in more detail the problems relating to government ownership, I wish to express some very deep concerns with what I see to be happening in public housing today. Certainly from the examples both in Alberta and throughout North America, we can see a stigma that my learned colleague alluded to, from the point of view of the regard that the people in the community seem to have for public housing. I think we have all experienced examples where a public housing project has been announced in a community in our constituencies, where all of the old ideas -- that thereby we are inviting crime, low income families, problem families -- come to the forefront. To a certain extent, I think -- the way our public housing is so structured in the province of Alberta today -- that the complaints of the citizens concerned with public housing developments coming in to their neighbourhood are indeed true. The very nature of public housing is one which brings in generally one category of income groups, and we generally end up with our public housing occupied by low income problem families. It is not that I am unsympathetic to low income problem families. But when you bring in 80 or 90 of these families altogether in one community, I think what happens, is that you depress the property values in these areas because of the stigma which is attached. It is well known that mortgage lending institutions, when they see this type of housing in an area, are not so liberal in their approach to the allocation of funds in a mortgage lending sense; they look at the area as somewhat depressed.

As a result, I think there is validity to the argument that public housing projects in existing communities may depreciate existing property values. I think as a result, that we must do what we can to upgrade the nature of the public housing developments that we have.

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Now I am sure all the hon. members have travelled throughout some of these public housing developments in this province, and I'm sure that many of us have not been too impressed with what we see. The nature of the public housing projects are dull, tedious, impersonal structures, small, and generally, in many cases, are inadequately constructed. I have seen it in Calgary; and I have seen it in Edmonton as I look at these projects.

I suggest that these are really not adequate housing facilities whereby a very personal type of accommodation is provided for the inhabitant. As a result I can see the concern of people within the communities to these public housing projects. I think we will only overcome the stigma which attaches to public housing, when we standardize, or make stronger regulations to ensure that the housing that is being created is of a much higher standard, or certainly one which displays considerably more imagination than that which I see in many of the public housing projects.

In the city of Calgary it appears that we are recognized as being in the forefront from the point of view of the public housing, subsidized type of housing that we have. I see it and I welcome it from the point of view of the need for additional housing. With that same attitude I must express my concern over the way the City of Calgary, for example, seems to be conducting this sprawl, as we create the outer perimeter of our cities with public, subsidized housing projects, while the very urban core of many of our formerly finer residential districts are dying for lack of funds.

What I mean by that is that because we are not moving our public housing projects into the central cores of our cities, we are then moving them to the newer land that becomes available. As a result the perimeter, for example, of Calgary is laden with public housing projects. Yet who is expressing a concern, from the point of view of government subsidies, to assist the core areas of our cities, in an urbanization way, to better the property values in the property we have? For example, in downtown Calgary and the banking district of Calgary, which at one time were very fine areas, are now areas where low income people are living and living in accommodation, which I would suggest, is not very satisfactory.

I would then suggest the consideration of this government to assisting in the financing of the rehabilitation of many of our central core community districts rather than encouraging the urban sprawl which causes so many concerns in the inflationary sense and in the sense of high costs of land and all of the attendant factors involved in that. But let us develop what we have. Let us look at some of our older districts and let us put the money there to better those districts.

I would suggest that this should be an area we should well be looking at, but when we do it, let's not do it with the attitude that the government should put it up and the government should own it. I am one who is convinced that there is no merit to the attitude that the government can do it better than private enterprise. Let the government sit back and assist private enterprise with enlightened policies and understanding relating to our concerns in public housing. Let not the government say; "We will own this; and we will own that." I have yet to find examples where I have been too impressed with government ownership, particularly in an area as dynamic as housing where government is interfering continually with housing because it seems to be what governments get involved with immediately when they are concerned with the economic factors. In other words in a slowdown let us pour money into housing. There is no levelling in the housing industry; there is no area where monies are moved into the housing industry on an equal basis. We seem to flood the housing industry with money at times when the economic state of affairs is slow, and the moment things get inflationary we hold back and say; "Well now we don't have money for the housing industry because employment is high." It is time that we utilized our funds on a much better basis, and it is time that we understood many of the problems of the people who are living in the public housing areas.

There are very deep social implications which we must consider when we are discussing public housing. All one need do is look at the United States and the public housing developments where crime is high; where there are slovenly social factors from the point of view of the upkeep of these public housing developments; where the vacancy factors are very high; where vandalism is very high. We do not experience that to any great extent yet in the Province of Alberta, but as I visit many of the newer public housing developments in my city I think that we may, in fact, be developing some future ghettos and we better keep our minds open to what we are doing in the hopes that we will better our approach in this area.

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There are many problems relating to public housing, there are many economic problems, and many problems from the point of view of the people who are living in public housing projects. Instead of thinking in terms of bringing mixed income group together, we are bringing people into our public housing who, it would appear to me, are from one income group. And I would recommend for the consideration of the members an experiment which I thought makes a lot of sense. Massachusetts has experimented with mixed income rentals. They set out that at least 25 percent of the housing units in these town house projects must be rented to low income people at rentals they can afford. About 35 to 40 percent of the inhabitants in these public housing projects in Massachusetts fall into the category of moderate income with total family income ranging from a low of \$7,000 up to a top of \$12,000. The remainder of the inhabitants, the tenants here, pay the full market rent which is somewhat subsidized, again depending on their income.

So not only are the rentals kept low, but also there is the social concomitant that low income people, where there is a need, may learn to upgrade their living practices by closer contact with neighbours of much higher incomes. By mixing income levels in housing, the economically and socially deprived family gets a good lesson on how to improve its home. That to me is a very sensible approach, that is, instead of bringing all low income people together under one roof, we look in terms of bringing mixed income rental people into the same development. By doing that possibly by association - we can upgrade the facilities. We can then do something about the housing that will then become available.

You know there are many areas where government, by sound policies, can encourage additional funds to come into the housing area. I think we saw recently, with the new Income Tax Acts, some regulations passed which really inhibit a considerable amount of money which normally entered into housing from now being invested -- and I refer, of course, to the right of investors to write off depreciation of rental income properties against personal income. The result of course has now been that many investors who would normally allocate funds (in an investment sense) into rental accommodation, no longer will be doing so; there is no immediate advantage to them. As a result, those investment funds, because of a very near sighted federal government policy are now being spread out into other areas of investments, and millions of dollars that would have been available to be invested in housing are not longer available. And yet, the federal government reaps little additional advantage by such taxation regulations because in the end results, the way the law was before, they always received their due: when the property was sold the recaptured depreciation would have to be paid, or when someone died they would still get their tax dollar. The result has been, thanks to a very near sighted taxation policy that millions of dollars which normally would be allocated for investment into housing are no longer there. We must consider these policies when government suggests them because the results can be very difficult on housing. There is no doubt that all of us here today would well agree that there is a tremendous need for further housing in our cities.

I would therefore suggest, for the hon. members' consideration this afternoon that, there is no express need for government ownership of public housing; and that the job can as easily be done and done better by the private sector if the governments, in its allocation of funds had shown a better understanding of the problems. If the governments for example, and the Alberta Housing Corp. being one factor would consider making financing more available by long term mortgages and by possible greater use of interest reduction on mortgages dependent on the income level. This would be a great factor in assisting additional housing. If we would also reconsider our zoning requirements from the point of view of land adjacent to our cities. To make land more readily available and not always in short supply, so we end up in a situation where land costs are becoming much out of line due to the fact that we never seem to have enough of it because the adjacent municipalities are too slow and tedious and difficult from the point of view of setting loose land for further development. If there is ready bank of land available, and I don't mean in that sense a land bank in the Saskatchewan concept. But if there is land well available for use, then we would find that we could keep costs down, and land costs in a proper area, and not skyrocketing and spiralling as they are doing today.

I think also a considerable amount of training and understanding is required, and possibly the housing industry can be faulted, in that they have not expressed a point of view to overcome the stigma that is attached to public housing. And I think by better design, by better condominium approach to housing, we can much better overcome our problems in this particular area.

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I would then suggest that with some enlightened policies to assist the private sector, Mr. Speaker, from this government and the federal government, and the continual reappraisal of housing, as I know is being conducted by the Alberta Housing Corporation, that we can provide better housing in a public housing subsidized sense in the Province of Alberta than we are getting today. I look forward to the suggestions of the hon. members in this regard.

MR. DEPUTY SPEAKER:

The hon. Member for Cardston.

MR. HINMAN:

Mr. Chairman, this topic does provoke me to make one of my infrequent speeches in the House. I want to begin by saying that I agree with the spirit of this resolution wholeheartedly, that public ownership of housing has not been successful, and has had many abuses. I want to continue with a few pretty blunt statements.

The first one is that there is no such thing as low cost housing. You can have poor housing at lower cost than good housing, but there is no low cost housing. That is one of the problems governments have faced through the years.

The second one is that if you expect private enterprise to look after housing, you have to let private enterprise have a profit. And they are going to get it one way or another. They realize that they have to have a tough approach. Any of you who have been landlords or agents of landlords are quite aware that it is a real problem to be sure you get a profit when you build houses for rent or for real sale.

Now as far as public ownership is concerned, it has always been taken for granted that the public does not want a profit -- they shouldn't want a profit -- and consequently it has become a real competitor to private enterprise. But it has become subject to many abuses. The hon. member who spoke first pointed out that when government took up housing, there were some 600 people who wanted homes; as soon as the government began to supply them there were 6,000. Now a little analysis of that very case indicated that these were not new people -- the 6,000 without any homes -- these were people who were fairly well provided with shelter, but who saw in the government building a chance to get something considerably better, at what they considered to be a subsidized price.

If you were to go over the City of Edmonton, and if you were able to compare housing over 20 years, you would find, for instance, that the number of cubic feet occupied per person is about five times as great now as it was in 1938, '39, and '40, immediately after the war. It does tell you that perhaps in those days we were unduly crowded, that people lived too many in too little space. But also it tells you that in general today we are living in too much space. That we are keeping up with the Jones's, that in practically every house of any consequence, there is space rarely used, and not often required.

These are social problems. And I don't know that you can do anything about it if people can pay their way. But when you consider public housing, or when you consider low-cost housing, you are talking about eliminating some of these things. You are talking about providing essential space, not just space for everything. These are some of the problems. The hon. members who spoke have mentioned that you do get the ghetto kind of thing when the public goes into housing. I don't think you can expect anything else. They have to develop an area; they have to develop it at a price they think the public will pay, because there is a resentment against the public subsidizing housing too greatly. So these things just go on and on.

When you come to the matter of subsidy, you are talking about another matter. You can either subsidize the builder; you can subsidize the financing, or you can subsidize the purchaser. Everything governments have ever done have always done one of these things. Certainly the profits which the private sector have been able to take out of housing have been greatly exaggerated by the fact that the government was subsidizing the purchaser and the financier. I don't know what is a fair profit for a builder to make on a house. If he builds five houses he probably needs \$2,000 a house, but if he can build 100 perhaps he needs less. I don't think there are any easy solutions to this.

Now I'm going to suggest that inflation is the real killer in this business. A little over a year ago I bought rough lumber for a farm construction at \$66 a thousand. At the same mill it was 146,000 two weeks ago. Nothing has happened in the wage line to justify such an increase in costs, but something has happened in the demand. I don't know whether you expect

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governments to go into price controls or not, but if you don't you have to live with these things that can happen. I point out, too, that the carpenters are telling us that they're going to want their wages doubled in their next contracts. Justified, I don't know. That is the hon. minister, Dr. Hohol's problem. But at any rate, there is no way that the government can improve the housing situation if we don't start at the root and do something about inflation.

When all this started in my first years in the legislature, I made a couple of speeches to the effect that it was high time for the governments of the municipalities or the province to go into land accumulation. I suggested there were ways of doing it, that you would determine what a lot ought to be worth, remembering that it had to be purchased by, in many cases, people of limited means. People said to me, "Well you can't make people sell their land around the city to the government," and I said, "Can't we?" There is a way, and that is to offer them the price which will permit us to divide this land into reasonably priced lots. If they don't take it, we immediately assess the land at the price we offer. We leave it to sit and pretty soon they'll be glad to sell it, because if we assess it at this higher price it becomes impossible to hold agricultural land free just for speculation. I think it is late, but not too late, for the government to do something about it, because I have seen lots in little towns go from \$285 to over \$3,500 in three years, simply because the town ran out of lots and you had to buy them all from private owners. These are some things to be thinking about.

I have a few suggestions for what they may be worth. One is to establish a lease purchase policy. Any house that gets any subsidy in any way from the government, has to be available under a lease purchase agreement, which means that the fellow who pays the rent can transfer his rent payments to a purchase payment at some specified time. This enables the man who could hardly afford ever to get a down-payment to accumulate his right to purchase as the months go on and as he pays the rent. I would suggest that some way this right to purchase becomes portable, that he can take it with him if circumstance forces him to move from one area to another.

Another is to encourage what you might call 'do-it-yourself co-ops'. In the day when we worked 40 hours, there were hundreds of people who could, with just a little supervision, do a great deal of the work on their homes. I'm quite aware that the labour content of a home today is far, far lower than it was 20 years ago. We used to figure 50 per cent was labour. That is not true any longer simply because of better techniques and methods. Nevertheless, it isn't particularly bad for a couple to move into a partly finished home if you could encourage some co-ops so that when a group of people get together, they are supervised; they may go to the tech school for a couple of weeks; they get some instruction. Now I don't know that there is any reason that a fellow in a town can't do his own plumbing. We let farmers do it, but they have to pass inspection. The Department of Agriculture puts out excellent plans and excellent books of direction. They do wiring, painting, and many things.

Let's talk about maybe sponsoring some do-it-yourself co-ops. Let's talk about remodelling. Somebody mentioned the re-building of the downtown sectors. There are areas, in cities, where people have been permitted, under building codes, to simply remodel old homes and have they have made them very livable. Now it isn't cheap, unless you let them do it themselves. I think maybe you have to relax some building codes a little bit; maybe you have to give them some supervision as they go, not just require them to get a permit. But certainly remodelling of old homes is something we need to look at. There is nothing wrong with moving in from the country a lot of homes which would be quite satisfactory accommodation, if it were encouraged a little bit, for there are many abandoned homes.

There isn't a great deal more that governments can do than a few things like this. The quality of tenants - you can't do a great deal about it. The fact that the government supplies money to a private builder to supply homes to people who have not cultivated any pride in home ownership, who are poor housekeepers, poor yard keepers, who are abusers - there isn't much you can do about it. But if you attempt to intersperse these people with people of better habits, it isn't long until that does become a run-down area, in fact people simply move out. I've watched the development, over the years, of areas where negroes began to move in, and I felt so sorry that the white people moved out, till I actually had the experience of going through some of these areas. Invariably I found that the fact that they were negroes was little of the problem. The fact was that their habits of living were such that they were offensive to people with better habits of living. And until you could erase this problem, you couldn't prevent the ghetto from developing. There is certainly some work to be done in the social field.

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I'm just going to sum it up by saying that there are only a few things you can do. One is land accumulation. I said it isn't too late. I think the price of lots is all out of proportion. People have made great fortunes speculating, when anybody could see that it was inevitable, and it goes on and on. I think that we could encourage lease-purchase agreements and make it possible for people to accumulate the down payment by simply being good tenants and paying their rent over a period, and I would hope that this lease credit would be portable.

I think that we can do a great deal in do-it-yourself encouragement, and encouraging people to take courses. We're always talking about continuing education. Let the young people do the qualifying which would permit a group of them to build homes and help them to secure the land. I think we can do something about servicing. If I judge right, and perhaps my colleague can tell you, we decided to force the contractor to supply services. We went so far as to say if he sub-divided he had to supply some parkland; he had to pave the road, put in the sewer and put in the water. We forgot that when he does it, he's going to take a profit on that, too. We forgot that it's going to be in the price. The reason we did it was because we said the municipalities simply cannot borrow enough money to do these things. It was partially true. So if you are going to do something to help them, maybe the province needs to make it possible for municipalities to borrow to put in services and let the people pay it in frontage tax or however you like, maybe in a higher service charge, but you have made it easier for them than if you add this cost in.

I suggest that we have people go into areas of older homes. We're always hiring people to do research by the book - most of it is not worth a hoot - maybe this kind of research would be useful. Let them go into an area where people would welcome them; let them look at the old houses, and let the experts give advice on what could be done to remodel these, to build up again, and to make habitable and desirable some of these older areas. But, most of all, some way we have to get at inflation.

A house which I sold not too many years ago at \$30,000 recently resold for \$52,000, and the owner told me he hadn't done anything since I left. I was a sucker, I guess. I didn't know what it was worth, but I assure you I got the best price I could at the time. But it does point out what's happening. If we let inflation continue, and if we don't put the best brains we have to work against it, certainly the housing problem is one of those which will become paramount and there will be no easy solution. I am going to support this motion. I am going to say that I hope all those who speak to it will put into their speeches some suggestions, because it is never enough just to pass a resolution saying the government should do this or that if we are not willing ourselves to do some thinking. Thank you, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Edmonton Highlands followed by the hon. Member for Calgary Bow.

MR. KING:

Mr. Speaker, I saw the resolution on the Order Paper and hadn't intended to speak to it. I don't know whatever possessed me to reach that conclusion, but I can assure you that I have changed my mind. I have been very interested in housing for some number of years now and have been engaged in trying to find some remedies for it, as Mr. Hinman suggests should be done.

One of the things that strikes me very clearly, and it was mentioned by the hon. Member for Edmonton Jasper Place, is that there has been in Canada a clear lack of a housing policy, probably since the end of the Second World War which is about the time when I was born. We would have to say that there have been housing programs; they have been formulated at the federal level, the provincial level and the municipal level, but they have been programs which have tended to treat aspects of the problem in isolation. There has never been, to my knowledge, any considered attempt by any of the three levels of government to evaluate the housing situation or the housing problem in its totality, and to try to deal with it as a whole rather than as isolated problems or as parts of other greater problems.

The hon. Member for Jasper Place mentioned something which I think is extremely important in the development of the present housing situation in Canada and Alberta today, and that is that for many many years, housing, the construction industry was used as an economic tool. For many years what was done in the housing industry was not in any sense related to the number of family formations in a year, the number of marriages that took place. It was not in

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any way related to the changes in the birth rate, the changes in family size, and therefore the changes in housing demands by the population. It was related solely to whether or not the economy was booming or was lagging. Frequently if the economy was booming, and one of the side effects of that would have been increased family formation or the increased size of families, frequently when there might have been expected to be a need for increased housing facilities, housing in Canada was treated in such a way as to deny that opportunity, that is, the housing industry was used as a brake upon the general economy, and the two things were clearly operating at cross purposes.

The second thing that concerns me is that in practical terms there has been very little support for the development of technological change in the housing industry by any of the three levels of government since the Second World War.

The third thing that concerns me is that there has been no real understanding of the importance of housing, and this is probably reflected directly in the lack of a housing policy. There has been no clear understanding of the importance of housing simply as shelter, as one of the three basic necessities of life. There has certainly been no understanding on the part of any of the three levels of government of the psychological importance of housing, that is, the quality of housing, the size of the housing and the equity participation of the housing consumer in that housing product.

The next thing that concerns me is that there has been very little research on housing demand and the quality of housing in the country. The last comprehensive study that was done by the Central Housing and Mortgage Corporation on the quality of housing in Western Canada and British Columbia was completed in 1965. To my knowledge, there has been nothing done in the last seven years. The vacancy rate in large cities is determined on structures that have 12 units of accommodation or more. Now, in almost all cases we can appreciate that that is limited to walk-up apartment buildings or to high-rise apartment buildings, which, in almost all cases, are bachelor, one or two-bedroom accommodation units. The vacancy rate which may be very high in Edmonton or in Calgary, says virtually nothing about the numbers of people who have four or five or six children, or who have some kind of a physical handicap which requires them to be located in accommodation having less than 12 units in single family accommodation, boarding houses, and this kind of thing. The vacancy rate, to which so many people pay such considerable homage, reflects this not at all.

The next thing that concerns me is that there is, across the country, including in this province, what I think is poor landlord-tenant legislation. I think all of the members of the House are aware that I have been interested in -- the hon. member in front shakes his head, I think in disgust -- I intend, nevertheless, to introduce legislation on the landlord-tenant relationship in the province and won't go into it in any more detail at this time. Thank you very much.

Some of the consequences of the failure to deal with the things that I have mentioned, have been a compartmentalization of government's approach to housing, and I don't know if there is such a word as 'ghettoization', but the creation of ghettos. We have, under either the Central Mortgage and Housing Corporation, that is the National Housing Act, or the Alberta Housing Corporation, and the Alberta Housing Act, housing that is particularly provided for students, or senior citizens, or the dependent handicapped, or native people, or welfare recipients, or people with marginal incomes, or people in the middle-income group, or people in the upper-income group. There are different amortization rates, there are different terms of mortgages, there are different interest rates; there are different levels of subsidy; the repayment is gauged in some cases on a percentage of your income, and in some cases it is a flat rate. It differs in all of these items depending on whether or not you are providing housing for one or another of these groups of citizens.

This creates problems in a number of areas. There are, as have been mentioned here this afternoon, mixed communities. I am personally familiar with the operation of the Sturgeon Valley Housing Co-op here in the city. It, first of all, had an extremely difficult time getting land at a reasonable price, and it discovered, even when it could get the land, that it had difficulty achieving one of its goals, that was a mix of income levels within the project. Central Housing and Mortgage Corporation could provide mortgage funds for housing for senior citizens. They can provide mortgage funds for housing for people on marginal incomes. They can provide mortgage funds for people who are welfare recipients, but they cannot, in one project, provide mortgage funds for a mix of all of these kinds of people. It just appears absolutely impossible that we can develop and finance in the City of Edmonton, a single housing community of 56

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units which will be providing housing, not for a single group of people, not for a single kind of income earner, but for a mix of all of these people.

This compartmentalization creates problems for people who have two distinct attributes of the kinds I have described, for example, a person who is both elderly and poor. The Edmonton Housing Authority in the city, the administrator of housing for people on limited incomes or on welfare, doesn't build bachelor suites, bachelor accommodation. It builds a very limited number of one-bedroom suites. The consequence of this is that it is virtually impossible, in the City of Edmonton, for a senior citizen who has no income other than his pension from the government, to get into government housing for people with limited incomes.

The alternative is to go into the housing which is built especially for senior citizens. One of them is Meadowcroft just completed by the Bissell Housing Corporation.

I am personally familiar with a gentleman whose only income was a pension from the government of Canada and Alberta who lived in my constituency in a small bachelor suite which cost him \$55 a month. On paying rent at \$55 a month he was able to make it without having to receive welfare. It created health problems for him because of humidity; it created problems because of the noise. The general condition of the accommodation was unsuitable for him. I was interested in this particular situation and we were able to get this person a suite in Meadowcroft. His rent jumped from \$55 to \$80 a month and it necessitated him giving up the self-reliance that he had enjoyed all of his life and going to the Department of Health and Social Development in order to get the difference between his former rent and his present rent in Meadowcroft. I don't think this is his fault; it is not the fault of Meadowcroft because they have built this unit as economically as they could and they are attempting to operate it the same way; it is not the fault of the Department of Health and Social Development because they were most gracious in providing him with the additional money. But the fact of the matter is that we have created a situation in which in order for a person to improve his standard of living and of accommodation he was forced to give up something that he had treasured all his life -- his own independence -- and go to the government to the Department of Health and Welfare in order to achieve assistance to get what I think is a minimal level of suitable accommodation for a person living in this province and this city at this time.

The next unfortunate consequence of this lack of policy, I think, is the duplication of administration. We have the government involved in providing housing for senior citizens; we have the government involved in providing housing for people on welfare. Both of them operate accommodation in the city of Edmonton, and for both types of accommodation there is a different managing authority. The Greater Edmonton Foundation has staff, has administrative policies and is responsible for the maintenance and administration of some government housing in the city. The Edmonton Housing Authority is responsible for all of the same functions toward other housing in the same city. I think this is unnecessary.

The next thing that concerns me is the unrealistic standards that are imposed by government on housing situations which can vary greatly from locale to locale. For example, I have been up in Fort Chipewyan in the north-eastern part of the province and I have seen housing built there by the Alberta Housing Corporation which is more than the people there had ever been used to; more than they were interested in; and more than they were concerned to understand or to maintain. We have, for example, the situation of the Alberta Housing Corporation being obliged to send maintenance crews up to Fort Chipewyan approximately every two to three weeks in order to repair oil burning furnaces that the people have no knowledge about operating; no knowledge about maintaining; and I believe no particular concern about either.

concern about. Again, in my own constituency, in the Boyle Street community there are elderly people living there who have lived there for many, many years of their lives in small bachelor suites. They are perhaps sharing a bathroom down the hall; perhaps sharing some other features of the accommodation. They have been used to this for many years and I would say, in fact, that it contributes to their sense of community. You get into some of these houses where eight or ten or a dozen people live, where there is an opportunity for them to talk with each other frequently, to visit with each other, and compare that with the minimal standards that are presently required, either by the Alberta Housing Corporation or by CMHC in Meadowcroft or in Kiwanis Place. The people are being compelled to pay extra money that they cannot afford for services or standards to which they had never grown accustomed and for which they have no real desire.

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The same thing on a slightly different basis would apply to the zoning by-laws of the City of Edmonton which require that a house be so many square feet. I think if we could reduce the minimum number of square feet required in housing in the city that we would open up a market for what I call 'starter housing'.

My wife and I, when first we were married, would have been happy with the opportunity to develop an equity position in a small house. Now I grant you that the opportunity for that has passed, in our case, and it seems to me that it is passing more quickly all the time. The opportunity still does exist for many people who are coming up after me. I think that if we could relax, in this case, the municipal standards which are required, if we could build smaller housing which people would expect to occupy only for two or three or four years and then, in turn, sell to someone occupying the same kind of position, we would be providing a real service to young people in the community.

There are only two other things about which I would like to speak. I wanted to get so many things said this afternoon that I have been speaking very quickly and I will slow down now. One is in the area of government involvement in housing. There has been a lack of consumer involvement -- I would have to say that I think this can vary greatly from area to area. I think that there is more consumer involvement in public housing in the City of Edmonton than there is in the City of Calgary. It was suggested very recently that one of the tenants in the public housing in Edmonton should be on the board of directors of the Public Housing Authority. And I was amazed at the negative reaction that greeted that suggestion.

The City of Edmonton has eliminated damage deposits and has found that, by increasing communication with their tenants, by giving them a sense of participation in the decision-making process, the damage they sustain on an annual basis is, in fact, less since the damage deposits were eliminated than it was in the last full year before their elimination.. If indeed we must continue to consider landlord tenants situations, whether the landlord is a private corporation or a public agency, I think that we must be prepared for and must be very aware of the opportunities to increase the involvement of the people who are living in the developments.

The last thing I would like to say, and I am very happy I was able to get to my feet before the hon. Member for Calgary Bow, is that in my five or six years of interest in the housing situation, I think that private industry has been negligent, to say the least. I have seen the report that was done by Central Mortgage and Housing Corporation on the \$500 million innovative program of two or three years ago. To my recollection it had not one kind word to say about the private industry. I am not saying that need necessarily be the case. The report was dealing specifically with the programs that were involved in the receipt of that \$500 million. I am aware of some private industry which has responded very well to the problem, but I think on the whole that it is fair to say that while government itself may not be any great shakes, the industry certainly has not demonstrated that it is either. At this point, I would perhaps be expressing some pessimism, but I would say that it has not demonstrated any potential ability to be more actively involved in the problem and more socially concerned with the nature of their involvement.

I have said all of these things and I am still undecided about how I will vote on the resolution, when it comes to a vote. I would like the situation to exist wherein every person in the province could be the owner of his own accommodation. I think that is impossible. I would like ownership, if it must be vested beyond the tenant, to be as close as the tenant as possible, as responsive to his needs and interests as possible. It has always been my feeling that private industry could do that but I am not sure of that today, nor am I sure that government is anymore capable of responding to these needs.

I would be very interested in other remarks made by hon. members as a means of helping me make up my own mind. I appreciate this resolution is on the Floor. It has given me an opportunity to make a number of wide ranging comments about something which is a very real concern and a very real interest to me.

Thank you, Mr. Speaker.

MR. WILSON:

Mr. Speaker, a housing policy which excludes government ownership of housing accommodation is a must. In fact, it is the only sane housing policy worthy of consideration. Canadians in general, and Albertans in particular, are the best housed citizens of any country in the world. And private enterprise did it, not governments. The challenge today is to provide better housing for families with incomes below \$8,000 per year. This means housing that is not

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only economically, but sociologically and psychologically acceptable without the need for increasing physical ownership, and continuing responsibilities of the three levels of government.

When subsidized housing is developed with government financing and predetermined allocation for subsidized families, segregated communities and segregated buildings are created. Opposition to public housing is finally leading many of its advocates to seek alternatives. Public assistance remains necessary to bring decent housing within reach of large numbers. But the attempt to provide this assistance must avoid the stigma associated with public housing. New methods of housing assistance are required.

Mr. Speaker, I feel that this defines the problem alluded to in today's motion.

Let us examine the new methods of housing currently being advocated by politicians. Firstly, the New Democratic Party advocate a policy of government land banks. Now this is a predictable approach from the New Democratic Party, but is hardly new, and most certainly has been found inadequate and unsatisfactory whenever tried elsewhere. To illustrate, I would like to refer to the Sunday Times of May 21st, 1972, which says in part, and I quote:

The Labour Party, it is reliably reported, is preparing to restage one of the longest running dramas in the history of political thought. Baffled by population pressures, soaring house prices, mortgage famines, homeless families, Piccadilly Circus, rapacious landlords, endless housing lists, and other loosely related phenomena, it proposes once more that age-old panacea, the nationalization of the land. As concepts go, it has had an impressive run. It was effectively the practice 5,000 years ago in Egypt, when all land belonged to the Pharaoh, 4,000 years ago in Sumeria, where everything belonged to the Gods, and 2,000 years ago in Han, China, where the Emperor, in theory, reallocated all the fields whenever anyone died. It applied at various times to the royal domains in England, France, and anywhere else where feudalism came to flower. It appeared intermittently in social and economic reform programs the world over from the 16th to the late 19th century, and has figured in virtually every revolutionary manifesto since -- including those of Maoist China and Soviet Russia, who have put it into everyday practice. But I find it very hard to believe that our little local difficulties in 1972 Britain are such as to make us need it now, or here.

Now, Mr. Speaker, I'm still quoting from this article in the Sunday Times. It is a bit lengthy, but I think it makes a very good point. Continuing the quote --

MR. SPEAKER:

Order please. There is some doubt about the propriety about quoting at length from articles. The principle appears to be that the debate that occurs in the House should be the debate of the members, rather than the debate of editorial writers from outside the House.

MR. ASHTON:

Could I ask a question on that?

MR. WILSON:

Certainly.

MR. ASHTON:

Well, the question I have is this. Is the hon. member aware that the Social Credit Government established a land bank south of Edmonton a few years ago for the Mill Woods?

MR. WILSON:

Yes, I'm aware of it, and I wasn't here then.

MR. GETTY:

Who was here?

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MR. WILSON:

Mr. Speaker, if I can then paraphrase the article that we're referring to, the Sunday Times points out that --

AN HON. MEMBER:

-- you were, if there is no objection.

MR. WILSON:

-- land banking does not begin to produce a solution, but merely shifts the responsibility to a fallible but highly flexible open market to a much more rigid rule-bound, and quite possibly even more unfair and arbitrary bureaucracy.

Mr. Speaker, so much for government land banks and the NDP position. As an aside, I would like to point out that if you happen to be a private enterprise land developer, you automatically qualify for Mr. Lewis's list of 'Who's Who in corporate bummanship'.

Mr. Speaker, the Tory position is not quite as clear as that of the New Democratic Party. Let me illustrate. In the Calgary Herald of Wednesday, October 25th, with an Ottawa byline, it says, "A Conservative plan to deal with the rising cost of housing includes federal funds for residential land banks." How about that? Later on it says, "A Conservative government would set up a federal fund with provincial participation to help establish residential land bank agencies throughout Canada."

AN HON. MEMBER:

Nice going!

MR. WILSON:

Mr. Speaker, that not only sounds like Mr. David Lewis of the New Democratic Party, but it spells out another provincial-federal cost-sharing program to which the Lougheed government has often stated their objections.

On the other hand, another newspaper article quotes the hon. Minister of Municipal Affairs as saying, "The government has no official policy on rental or private accommodation for public housing." Well, Mr. Speaker, the indecision of the hon. Member for Edmonton Highlands seems typically Tory. However, I would like to think that the mover and seconder of this motion were setting Tory policy.

So, Mr. Speaker, while we are waiting for the true Tory position to emerge, let us remember that so-called land banking is potentially the most disastrous of the simplistic solutions to land cost being put forward in various areas. There is ample evidence to show that land banking is not only an additional burden to taxpayers, but also has the effect of increasing costs, rather than lowering them. Advocates of government land banking avoid mentioning the fact that this land is bought with taxpayers' money, and that much of it must be bought from speculators at very high prices. This money, in turn, is tied up for years while it is duplicating the service that tax-paying private-enterprise developers offer at no public expense.

Meanwhile, the so-called "banked" land is removed from the current market, creating an artificial land shortage and resultingly higher prices in the community. Finally, the experience has been in other communities where banks have been put together by purchase or tax seizure, that the municipality will attempt to make a profit on the land by reselling to the highest bidder. Neither the taxpayer or the buyer of a new home benefits from the whole procedure.

Free enterprise has done the best job of providing housing for Canadians, and it can continue to do the best job with continued co-operation from government. Outdated restrictions should be taken off the statute books so that new and imaginative concepts can be introduced, and, most important, a supply of land must be zoned and approved for residential purposes, so that factors of an open competitive market can be effective in keeping prices down.

Mr. Speaker, the housing industry has the answer, if only the politicians would listen. The private sector has made us the best housed citizens in the world, and they have a plan to maintain and improve this position. The housing industry advocates home ownership for low-income and moderate-income groups through interest rate subsidies on long-term mortgages - not only mortgages financed by government, but also by any Central Mortgage and Housing Corporation

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approved mortgage lenders. This proposal is intended to produce housing for those who are literally caught in the middle - the people who are too poor to rent or buy standard private housing, but not poor enough to be admitted to public housing. This approach also relieves the pressure from public housing authorities to raise the income qualifications on existing public housing, or to create more public housing with higher income qualifications. Below market interest rates, sponsored through subsidies, both the provincial and federal governments on a 50-50 proposition, as now exists, should be extended to both the --

MR. SPEAKER:

Order, please. With the utmost respect, although the hon. member is reading it very well, it would appear that he is reading his speech. Although there was a considerable amount of latitude in this regard during the spring portion of this year's session, perhaps we should more strictly observe the rule with regard to reading speeches.

MR. LUDWIG:

Mr. Speaker, on a point of order. I would like to point out that before you took the Chair, the other Speaker allowed a tremendous degree of latitude in this debate. They wandered all over the northern part of the country.

MR. WILSON:

Thank you, Mr. Speaker. The basic principle of assisting or encouraging home ownership by subsidizing the interest rates creates a situation where the purchaser may not qualify because of his salary, with the going rate of interest, but with a government subsidy he can, in fact, qualify. His neighbours need not know that he is subsidized in that community at all, and as his salary increases, the subsidy decreases. The government is eventually free of it and is not locked in with a building. The government sees an end to it; the homeowner holds his head high in his community and he is not attached to a stigma.

The housing industry further advocates, Mr. Speaker, a rent supplement for those who cannot afford to pay their own rents. This also encourages the person renting the property to move out into the free enterprise market, find the rental accommodation of their choice, and they take the rental subsidy with the individuals. They don't advocate subsidizing buildings. It is assistance to individuals. Here again, the subsidy is not publicized; they locate in communities where people live without subsidies, and the stigma does not follow the individual.

Mr. Speaker, this approach has appeal from many standpoints. Number one, the government is not locked in for ever subsidizing buildings, but are temporarily assisting the people. Number two, it ends the creation of ghettos where the disadvantaged live. Number three, it eliminates the stigma of public housing which is branded on disadvantaged children. Fourthly, government bureaucracies to manage and maintain buildings would not be required.

Mr. Speaker, this motion also, I think, gives me the latitude to talk a little bit about land development which occurs prior to the building of the houses. The conventional wisdom today seems to dictate that land developers are gougers who desecrate the landscape and make inordinate profits. However, most people do not take the time or the consideration to determine the difference between speculators and land developers. It seems to me that this is an important point, because there are circumstances, even in Alberta, where some municipalities allow the private sector to do the actual land development, and in others where the government insists that they be the only ones allowed to do the land development. There are many interesting studies that show that when the government does it, it contributes to the per capita debt of that community.

Now, things that can be done to make housing accommodation more reasonable have to be taken into consideration. In many of our municipalities, when we see quadrants of urban land sterilized or taken out of the path of development, this interferes with the free market and causes land prices to go up. Alberta municipalities caught in a shortage of revenues have discovered a new source of income through development agreements. Municipalities are imposing ever more onerous assessments and impose on land developers for services outside of the subdivision being developed.

These costs are being added to legitimate internal servicing costs and to the raw land costs, and passed on to the ultimate home owner. A situation now exists where we find that servicing costs represent approximately 80 per cent of

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the fully serviced residential lot, with only about 20 per cent of a service lot cost applying to the actual land.

Mr. Speaker, I am not necessarily advocating that we do all land development on a local improvement basis, but merely pointing out that the prepaid servicing method has been allowed to deteriorate where some municipalities are taking advantage of it and using it as an extra source of revenue. Now this loading, or hidden tax, imposed on new home owners further restricts home ownership through qualifying salary requirements. In most cases today, home ownership or new home ownership is limited by qualifying salary, not by down payment and not by full price, so anything that we can do to lift the size of the mortgage that the home owner has to assume lowers the qualifying salary that we have and the more home owners we can encourage.

If governments on all levels are sincere in facilitating home ownership, they can achieve this by adopting the following eight steps.

- 1) A program of mortgage interest subsidy for low income home purchases.
- 2) Abandon current policies of artificially imposed shortages and serviced land under the guise of orderly growth, which plays into the hands of speculators.
- 3) Abandon policies of contiguous land development, which also plays into the hands of speculators.
- 4) Allow the free enterprise competitive system to work to its fullest advantage by approving land for development in advance of demand -- in other words, speed up subdivision approval.
- 5) Stop discriminating against the low income family by continually raising minimum subdivision standards on a universal basis.
- 6) Use government funds for sewer and water treatment plants and extend sewer and water mains into new development areas.
- 7) Consider the merits of locational value taxation, and
- 8) encourage a better quality of life, a better environment, a more pleasant place to live by throwing out legislation which insists on stereotyped, sterile subdivisions, and allow private enterprise to develop innovative communities.

MR. SPEAKER:

The hon. Member for Calgary North Hill followed by the hon. Member for Pincher Creek-Crowsnest.

MR. FARRAN:

Mr. Speaker, if this motion were differently worded, I could accept the principle, but a housing policy that totally excluded government ownership would be pretty difficult to implement at the present time. Certainly a proper Conservative aim should be towards a property owning democracy, and there is good reason to believe that the majority of Albertans support these Conservative principles. In fact, a grand slam last night was graphic proof.

Not too long ago, Britain did move towards the sale of public housing to existing tenants. But their problem was a little different, that under their socialist government the council houses were often occupied by comparatively wealthy trade unionists or socialist friends of the people on council, and there was no means test for admission to these government owned houses. So there was a move to get out of the bind of seeing somebody in public housing with a Rolls Royce parked in front, of facilitating the sale of these houses to the tenants.

Perhaps a trend like this could take place in Canada and Alberta where the condominium principle is well established, where you could perhaps sell suites to public housing tenants on a basis of a long term mortgage. But I have a feeling that you wouldn't have too many applicants because most Canadians have the ambition of eventually having their own little single family residence with a back yard and getting out of those public housing apartment blocks.

The trouble with public housing is not so much the 17 per cent on welfare, but it is the working poor who can either not amass a down payment or can't afford the nine per cent monthly payment. And, this of course, was the failure

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of the private housing developers and the private mortgage companies of three or four years ago, which forced the extension of public houses. They were only building housing for the affluent, and were not providing more modest accommodation for those who had average or below average income. While it was perfectly possible for private builders and developers to build \$12,000 houses, they were concentrating entirely on \$20,000 houses and up. Unfortunately, the government of that day, the Liberal government, did not appreciate that they had a tool for directing the type of houses that could be built in their NHA mortgages. They could direct those mortgages to the area of greatest demand, and I think it was only last year that they began to do this through CMHC -- or perhaps the year before.

NHA loans, for instance, by the last government, or the former government -- I don't know what to call it after yesterday -- has recently been raised. I don't know if this accomplishes too much, I think that NHA loans should primarily be directed to the areas of need and that the more affluent in our society should rely on the private sector for their mortgages and should not expect government subsidized mortgages.

What we really need are more modest dwellings. They provide, of course, a smaller markup to the builder. So, if there is a choice in the market between building a \$20,000 or \$30,000 house and building a \$12,000 house, the builder will naturally go for the larger unit where he is likely to make a bigger percentage of profit. However, if the market for more luxurious homes is filled up, then reluctantly, as a place of last resort, he will move into the modest dwellings.

There is absolutely no reason why wartime housing, which was built on very satisfactory, simple design, couldn't be repeated today for no great escalation in price. Some of those units around places like Griesbach Barracks and Currie Barracks could be built today for about \$12,000. Most of them would conform to the national housing standard with just a few amendments. At the moment there are very few developers who have seen fit to go in for them.

There is certainly something wrong when so many people are forced into public housing because they cannot afford rents outside or because they don't have the necessary salary qualifications. There is something wrong when so many people in our society have to be subsidized above this 25 per cent of income on the rents for their shelter.

The cost of a public housing unit is, generally speaking, greater than the cost of a similar unit in a private project. The average price of a unit in a private highrise is around \$13,000, the average price of a unit in a public housing project is about \$16,000. An interesting point is that all these units tend to cost more than single family residences of detached dwellings, which is a most extraordinary fact. When they are building in quantity in a dense project you would have thought that you could have built for less. But actually per square foot the single detached dwelling average cost in Calgary in 1971 was only \$15.15 a square foot and in Edmonton it was \$15.17 a square foot, which is slightly under the square foot cost of public housing highrise.

Of course they build them like forts, I don't know if they eventually expect that they will be useful, come the day of the revolution or what, but there is one called Baker Towers near the City Hall in Calgary that from the outside really looks like a movie of Pentonville, or one of those famous dreary old jails. But I presume they are built to last. They can stand earthquakes and vandals and maybe destructive tenants.

Of course housing authorities are not prohibited under the act from entering into a rental agreement with private owners, either under the federal laws or our own Alberta Housing Corporation rules. It is possible for a housing authority not to build on its own, but either to buy or rent from a private owner. They can direct their clients into these suites and subsidize the rent above 25 per cent of income in the normal way. Actually the local authorities tend not to like this route because they regard public housing as a provider of jobs, something that is giving another little injection into their isolated market area. They say: "Well look we are getting 50 per cent of the cost of the public housing units from the federal government, why shouldn't we have that money. That's ours, let's build as many as we can otherwise they will build them in some other part of Canada and we won't get our fair share of federal funds or what we paid in the form of income tax."

I don't know if this is sound policy or not but it is one of the reasons why we still have to have a mixed approach. The way to achieve a greater private ownership of housing, which I think is a laudable objective in my opinion, is first of all to build according to needs and to use mortgages to

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promote this end. Leave the rest, the luxury end of the market, complete to the private enterprise without any interference at all. I think that we should encourage people to stay in older homes by property tax relief, and by loans for remodelling and home improvements and so on.

I agree with the hon. Member for Calgary Bow that it is not so much the price of land which escalates the end cost of housing package as the cost of servicing land. However, I cannot accept that cities are making a profit out of these servicing costs. The acreage assessment which is levelled in both the major cities on developers is a proper assessment and does not cover the entire cost providing services and utilities to these new subdivisions. There really can be no argument to dollar property owners should subsidize the Johnny-come-latelies in the new subdivisions. They should stand on their own feet, pay their own way. It is not a form of tax revenue. I believe that certainly in Calgary, the acreage assessment falls short of actual cost.

Prepayment of utilities also makes sense. If you are being assisted with Central Mortgage and Housing Corporation loans with federal back, by not have your prepaid utilities spread out over 40 years and so on, on a long-term loan. Local improvement by-laws, generally speaking, can only be financed over some 15 years and they constitute a much more onerous burden on the property owner. I see nothing wrong with the principle at all, a servicing cost being included in the mortgage and backed by the NHA funds.

I would like to move an amendment to this motion, seconded by the hon. Member for Innisfail. I would like to move that we rewrite the motion to read like this: we insert after the word 'which', 'encourages private ownership for housing accommodation'. Instead of the words 'excludes government ownership' we will put in the words 'which encourages private ownership' of housing accommodation.

It now reads: "Be it resolved that, the Government of the Province of Alberta give consideration to a housing policy which encourages private ownership of housing accommodation." I only do that, not because I disagree with the principle but I think it is utterly impossible to have something which totally excludes government housing at this stage of the game. The idea that housing can be used as a great pump primer for the economy is not totally sound, either. I think that Canada can not go on forever building --

MR. SPEAKER:

Order please! Is the hon. member debating the amendment? Might we have a copy of it by the hon. member or the seconder?

MR. FARRAN:

Would you give me just a minute, Mr. Speaker? Can I continue, Mr. Speaker?

MR. SPEAKER:

Please do.

MR. FARRAN:

There is, at the moment, a very high vacancy rate in town housing and apartments in the two major metropolitan areas in Alberta. This has been one great surprise to planners who did think some four or five years ago that Canadians were going to change their way of life and become a nation of apartment dwellers. There was certainly a trend in this direction, and some, I think 36 per cent of Albertans, presently live in apartments. However, it has been proven by the trends in the last two to three years, that if they had their "druthers", as Lil Abner would put it, they would "druther" be in a single family residence with a backyard like their fathers, and their grandfathers before them. This has proved to be the big market, and of course, has proved the impossibility of limiting the expansion of the two big cities, that the spread of single family residences does inflate costs of servicing lots, and does, of course, bring big pressure to bear on land. However, it is a free society, and if Canadians prefer to live that way, well I don't believe any government has the right to put any barrier in that direction.

I don't believe that land banks work either. I agree with the hon. Member for Calgary Bow. I do believe it is possible, as the hon. Member for Cardston put it, to catch the speculators through assessment. And I think that this House should consider the possibility, at some time, of introducing a similar law to that which exists in California, which is called 'roll-back assessment'. If land is sold for a higher price than the market value on which it was

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assessed, that is then deemed to be the market value, and the tax on that basis, just as if it had been the level for the previous three years, and they have to pay three years back taxes before title can be transferred. Now it doesn't get everything, but it is a form of municipal capital gains tax which does tend to take some of the sting out of land speculation.

I think, Mr. Speaker, that is all I intend to say on the subject. Thank you very much.

MR. SPEAKER:

May I draw the attention of hon. members to Rule 42 (b). If it is the intention of the seconder of the amendment to speak, he must speak now, or else he may not speak on the amendment.

MR. DOAN:

I have nothing to add, Mr. Speaker.

MR. SPEAKER:

I would also mention Rule 42 (b) (a), which requires that now that we are debating the amendment, all debate until the amendment is disposed of must be strictly relevant to the amendment, which is, that the concluding words of the motion which now read "which excludes government ownership of housing accommodation", under the amendment would read, "which encourages private ownership of housing accommodation."

MR. DRAIN:

This, Mr. Speaker, has been a resolution that has been very worthwhile, and I am now speaking to the amendment -- which has now . . .

MR. SPEAKER:

Is the hon. member now speaking to the amendment?

MR. DRAIN:

I am speaking to the amendment. The amendment is before the House. However, Mr. Speaker, in my opinion I submit that there is a complete inter-relationship between the amendment and the motion. Hence, to properly deal with the amendment it would be necessary to touch on the remarks that had been made in relation to the motion. I would request, therefore, your indulgence and the indulgence of the hon. members in pursuing these few remarks that are left for me to make, having regard for the fact that the juice has been squeezed fairly thoroughly out of the orange of this resolution by very capable remarks from the hon. Member for Jasper Place who touched on the seriousness of the problem that many people in our cities are facing today, and the hon. Member for Calgary Buffalo in relating the social implications of having people segregated in various areas. Then the hon. Member for Edmonton Highlands also had some remarks to make on the subject of the failure of past governments in involving any direct results in relation to housing. The hon. Member for Cardston also had a very concise and elucidating discourse on the realities of the housing situation. The hon. Member for Calgary Bow made a very strong pitch for private enterprise. Of course, this is not within the intent of the amendment to this particular resolution. We have also heard from the hon. Member for Calgary North Hill, and all of these have been contributions. The end result has been an amendment to the resolution as it was.

I think possibly it would be useful for us to explore in some degree the reasons why public housing is necessary. The reason is probably because the rich become richer and the poor become poorer. These are probably the implications of an economy that develops towards maturity. If you look at the ownership of housing in some of the European countries -- I'm thinking now of Italy -- where 70 per cent of all of the housing belongs to the government, twenty per cent belongs to the patron or the landlord and 10 per cent belongs to the people. This is the sort of repetitive process that has gone on throughout history, as the hon. Member for Calgary Bow mentioned in his remarks. However, he didn't go further: that when land becomes concentrated into too few hands, there is a rejection of this particular mode of environment. We have seen this quite recently in Cuba, where 97 per cent of the land becomes the property and the possession of the Americans and the result was, of course, the Castro situation.

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I would think that it would be a very sad situation if our government, in effect, or any government denied the simple fact that there are responsibilities to the less fortunate; that people because of no fault of their own are precluded from ever owning and will never own in their lifetime any land or any property without some public assistance. What form this public assistance would have to take is another question. But it must certainly be a great blemish on our social thinking when we realize that 40 per cent or more of the people of this country will never ever own their own homes or own any property, or own anything period. Certainly this is not the type of situation that adds to social harmony. Probably it can be related to human greed in some degree. If there is enough greed shown and if there is enough concentration of wealth in a far enough corner, the wolves that are hungry will gang up together, and there will be a redistribution along other ways. However, I am now philosophizing.

It was mentioned that mortgages should be extended to a greater length. I'm questioning whether there is any validity in expanding mortgages beyond 40 years, because this is getting in the realm of the preposterous. There are people under the urban renewal program in Michel who have been forced into a situation where their houses have been destroyed and they have been forced into becoming part and parcel of an urban renewal scheme much against their will, and where they have to continue to make payments until they are 85 and 90 years of age. I remember talking to one woman who mentioned that she thought it would be marvellous if her husband was still able to get on the bus at 85 with his lunch bucket and go up into the mine to dig coal. She thought that by the time they were 86 the mortgage would be paid off and everybody would be happy. These are some of the things that you are faced with relating to this.

There have been several approaches mentioned. Possibly one approach that could be considered is the once in a lifetime grant that was mentioned in this campaign, and also one that is accepted as a way of life in British Columbia, where there is a government involvement. But relating this to the inflated costs of everything, there are people who will argue that the inflated cost of labour has no impact on housing. This is true if the productivity increases. I would think probably that there should be a role for government to a greater degree than there is at the present time.

Looking at trailers and the exploitation that people are suffering under the present set-up for taxation on trailers, parking fees, public utilities, where the cost for a young couple living in a trailer is now up to around \$225.00, \$230.00 or \$250.00 a month. You are looking now not at 25 per cent of your income, which has been mentioned; you are looking at 50 per cent of your income. This legislature, two years ago in its wisdom, saw fit to make trailers assessed under The Municipal Assessment Act, whereas prior to that their payments were a maximum of \$120.00 per year. This, in a sense, could be construed as not too much. It has been argued that this, in effect, gave a special privilege to the trailer people. But when the other costs, foreseen and unforeseen, are taken into consideration in relation to the costs of owning a trailer and the accelerating depreciation that you have with these very shoddy, poorly built excuses for housing, this enlarges to me the reasons why there should be more and more planning and more consideration by government of the realities of what people require.

Possibly the answer could be modular housing, where you can put up your house and it does not necessarily have to conform to a basic style, where it can be innovative, where sophisticated materials can be used, where stamped wiring procedures can be adapted, where plumbing and all the other related things can be built into the entire complex.

I do not believe, Mr. Speaker, that the era of people not having the opportunity to own their own homes or to become involved in the better things of life will be acceptable to the people of Canada.

These are some of my thoughts on the subject, and I think that consideration could be given to a once in a lifetime grant towards the furthering of people's endeavors towards having a home for themselves.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview I believe, had the floor first, but the question is: are the hon. members who have just risen to speak intending to speak to the amendment? The rule as stated in our rules, and confirmed in Beauchesne is that while discussion is going on on an amendment, the discussion on the main motion is put aside. The only question now before the House is whether or not this motion is to be amended in the manner proposed by the mover and seconder of the amendment.

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MR. NOTLEY:

Mr. Speaker, I am sorry that the amendment was introduced, because I feel that it will probably restrict the debate for the remainder of our debate. The original resolution, although I thoroughly oppose it, provided ample scope to discuss the role of the public in the provision of adequate housing in our province. Unfortunately, if we take a literal interpretation of the amendment, we are going to be looking just at the question of providing greater private home ownership. I think that this will tend to restrict the scope of the debate. There were a number of points that I had hoped to raise in the debate relating to land banks and so on.

Dealing specifically with the amendment, it seems to me that the case can quite clearly be made, Mr. Speaker, that private enterprise really hasn't done the job. We don't have adequate housing facilities in the province, and we don't have adequate housing facilities in Canada. There are all sorts of reports that indicate that; the Economic Council Report of 1969 singled out housing as one of the areas where a massive nationwide effort was required. We have the 1970 report of the Central Mortgage and Housing Authority itself, which questioned the housing adequacy in the country. I think when we look at these reports we have to ask ourselves whether or not the typical approach to housing, that is the emphasis on private ownership, has really done the job. Now let me say, Mr. Speaker, that no one can really be opposed to the wording of the resolution the way the hon. member has introduced the amendment. I can imagine that even Mel Watkins or James Laxer could support the amendment, because it's essentially a motherhood amendment. We are all in favour of providing home ownership where that is practical. But the question, as we look at our housing inventory, is: what is the role of government? What is the function that we should be singling out for government in the provision of adequate housing?

I would suggest that while it's desirable to have home ownership, it's also necessary to have a substantial amount of public housing too. I believe it's desirable because public housing would tend to have a competitive effect on rents in the economy. Now people will say no, that's not true. Look at the examples in Edmonton, look at the examples in Calgary. I acknowledge that public housing has not had any great effect in either city on the rentals charged by private landlords. But one of the reasons that public housing today hasn't had much of an impact is that it's been such a small percentage of the overall housing total. percentage of the overall housing total. If public housing were to represent 15 or 20 per cent of the housing starts in a given area, then it is my submission that it would have a genuine competitive impact on the rents charged. So I suggest that a degree of public initiative through the provision of substantial public housing does more than almost anything else to provide the renter with effective rent controls which would involve not nearly the bureaucratic problem of administering some kind of rent control scheme.

Another point that was raised, by one of the hon. members -- I forget who raised it -- was the problem of public housing, and the fact that there are some tenants that don't look after their units. This, of course, is inevitable, this is true with people who rent private accommodation too, and I don't think there is any substantial difference between an individual renting private accommodation or being in a public housing unit.

One of the points that the hon. member for Highlands raised, I think is an important one. And that is, that we should have tenants on the boards of these public housing authorities. I submit that were we to do this, it would give these people who are renting public housing units a greater sense of responsibility because they would see public housing, not just as something that somebody else has provided for them, but an operation that they, in fact, have a part in. This is one of the provisions, I should point out, Mr. Speaker, that the government of Manitoba has insisted on in their public housing projects, and it is my understanding that it has worked out very well and that the tenants who sit on the boards of these various public housing authorities, have made an excellent contribution to the conduct of those meetings and that they have brought up a number of points that have strengthened the administration of public housing.

Another point has to be examined too when we look at public housing. It is a fair criticism of current public housing in Canada that what we have done is to build these public housing ghettos because we can acquire the land. We put up 500 units in one place, or what have you, and you develop a public housing ghetto.

We have to disperse our public housing units much more than we have. I realize that this causes all sorts of problems in terms of acquiring the land and

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so on. But in terms of making public housing work, it will never really work well, Mr. Speaker, if you end up with singling out subdivisions for public housing as such, and you have practically one subdivision which is a vast public housing unit. It has to be fitted in to the surrounding neighbourhood so that you have private homes as well as public housing units. I certainly don't subscribe to the idea of public housing ghettos.

It is important too, that as the authorities decide who is going to rent accommodation that we do not have only the very low income people. The problem we have got ourselves into is that we have such inadequate housing accommodation in our two major cities, that the only place that these people can go in most cases is the public housing units. Providing we had enough public housing units, you wouldn't have just your welfare recipients in them. You would have a greater mix of people. You might have university students who are getting started, young married couples who are getting started, and so on. You would not have the tendency which has developed in a situation where we have such a short supply of public housing units, towards the situation that the hon. member for Calgary Buffalo pointed out, when he said that you tend to have a congregation of problem families. That is true enough, but one of the reasons it is true, is that we haven't an adequate supply of units. And I submit, that if we had a larger supply, instead of talking about 2,200 units or whatever it is in Calgary, that if we had 10 or 12 thousand units in Calgary, I submit that you would probably have a better mix of people living in those units.

Finally, Mr. Speaker, there is one point that I want to raise because again I suppose it deals with the amendment and that is the question of land balance. I was very interested in the hon. Member for Calgary Bow's discourse about the tremendous contribution to the economy of Alberta of the land developer and also pointing out that he is now on Mr. Lewis' corporate welfare bum list. I am very sorry to hear that, hon. member. In any case, he cited an article from the Sunday Times. It's interesting and I won't read the two sections, Mr. Speaker, but if you examine, and I'm sure most of the hon. members have examined the Dennis Report on housing, page 13 of their summary and findings they talk about land assembly and land banking. They say, in quite categorical terms, that it has been the rising land prices that has been a major culprit in housing price inflation. These prices, it goes on to say, have quadrupled in the last 20 years. Increased land and servicing costs have pushed residential development planning into the hands of a small group of large developers. In their specific findings, and I won't read you this particular section, but for any of the hon. members who want to read the report it is on page 20, the Dennis Report comes out pretty solidly in favour of the principle of some form of land buying. I suggest that this is hardly a radical departure, it is simply the provision of a sensible step which would bring down land costs.

I would also like to say that I was intrigued with the point raised by the hon. Member for Cardston, that we use the power of taxation, too, on developers around the major cities; that land which is now used for agricultural purposes and is going to be transformed into residential or commercial property has some form of special tax which zeroes in on it. I suggest that the proposal made by one of the hon. members, that we look at this California tax, might well be worth assessing as we review what approach is most prudent for Alberta in overall housing development.

In summary, Mr. Speaker, let me say that I think all the hon. members recognize that the right to own a home is one which most Albertans want and cherish. At the same time there are going to be large numbers of people in this province who, for one reason or another, are not able to achieve that goal at any particular time. Public housing and public initiative offers some counterbalance between the desire of people to own their own home and the prohibitive cost of buying that home, because of very large land costs, high rentals, or high interest rates if you are purchasing a home. It seems to me that this is the area where the public has a responsibility to intercede. So it's my view that any policy which just sees private initiative and ignores the responsibility of the government to plan to lead and occasionally to own, is a very short sighted one, and not one in the interest of Alberta residents.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway on the amendment, followed by the hon. Member for Calgary Mountain View.

I take it that hon. members are aware that a member who has spoken only to the amendment and not to the main question has a right to speak again on the main question. If the discussion on the amendment stretches out to the main question it is delaying those members who are ready to deal with the main question after the amendment has been disposed of.

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DR. PAPROSKI:

Mr. Speaker, I will try to be very brief so I will allow somebody else to speak for a few minutes.

I am very pleased with the introduction of this resolution by the hon. members, however I would have opposed it had there not been an amendment. The main reason that I would have opposed this resolution the way it stands without the amendment would have been that I think it would have contradicted what I believe is the philosophy, and certainly a philosophy which I accept, that there should be a balance between government and free enterprise. And there is an equation between government and free enterprise that is acceptable from time to time, depending on the majority of the people.

Therefore, with this proposed amendment, which I support, I think it allows for that flexibility, and, therefore, I certainly will support the amendment.

I would like to make some comments on the issue stating housing policy is a consideration, Mr. Speaker. And I think that these items I am going to mention may be added to the general concept and thinking regarding housing policies. Many comments have been made already today for and against free enterprise, for and against government ownership, and so forth. It is certainly common knowledge by most of us here that there is poverty in Canada, in Alberta, to the extent of 20 to 25 per cent. And this poverty is certainly demonstrated very well in the housing of the citizens that are unfortunate to be at this level. And this is exemplified very, very well also by examination of these homes where they lack toilet facilities, running water; they are essentially hovels. The repairs that are needed for these homes is certainly something to be desired, and you can see this in Edmonton in some of the single mens' hostels, which are rented by free enterprisers. Now I don't know if this has been corrected recently, but during the last election this was very, very evident. So here is something against free enterprise participating because they have neglected this lower income group. Something for free enterprise, of course, they have indeed provided excellent homes for the middle income and the upper income.

As far as the public participation in housing is concerned, I don't think it is debatable that the public, the government, have done a tremendous job where they have participated for senior citizen's homes, for nursing homes, and the voluntary agencies, via the government who have provided these type of homes on a non-profit basis. They have done an excellent job. I think that this certainly has to be encouraged, and any area like this where government participates, where the needs are obviously being ignored by free enterprise -- and when I say the needs are being ignored, I say, Mr. Speaker, to the members of the assembly, we know this very well, in the areas of the disabled, the areas of special problems, mental health, and what have you. Now this is where I see a balance in the equation where government steps in and does something about it. And certainly for public housing where free enterprises refuses or ignores, as they have, even up to this date in 1972. So essentially what I am saying here is that there is a place for government ownership, and there is a place also for free enterprise. And that balance has to be found from time to time. I think the balance is fairly good at this time, except for that one critical area that we, in Alberta and across Canada, have ignored, and that is for the lower income group.

Now, what we do with this, I think, is a matter of a major policy decision, and I hope with this type of resolution, if adopted, that we can pursue this and come up with something that is definitive, and not wishy-washy. May I suggest to the hon. members that we shouldn't be so concerned about government ownership and free enterprise if we adopt this equation, and that equation will vary from time to time. But we should be concerned about the standards of homes; we should be concerned about adequate housing for all, as many as possible at an optimal level, recognizing the limitations we have in free enterprise as well as in government. We should be concerned with the human aspect of housing. In other words, housing, a home, a physical facility, a loan is not enough, and we know very well that a lot of these ghettos that have developed is the result of ignoring these other surrounding community areas, community aspects of housing, that is parks, recreation, and other facilities that are so necessary for human environment. I think we should be very cognizant and very aware that there are areas that have been abused, and have been ignored. When I speak of this area I again remind the hon. members that these are areas such as homes for senior citizens, not only the formal lodges and nursing homes that I'm talking about, but senior citizens in their homes would be very pleased to have government support to assist them in modifying some of their structural or architectural changes so that they could stay and live there rather than have to be moved to an institution. This is another concern.

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Now, how about the new standards? We know very well that we could adopt immediately new standards that would not, in fact, restrict the building of homes, not in any way deter from the present existing level of standards, and, in fact, improve the quality of homes and decrease costs. We should adopt immediately and utilize materials that are new and innovative which we have ignored. These are presently on the market and yet the housing industry has not done anything about it. Maybe government has to step in and get that equation and get free enterprise to move in that direction.

We should apply vigorous pressure -- and I'm talking about the hon. members on the opposite side as well as on this side -- to our newly elected members of parliament to remove the tax on building materials for homes, so that the costs will go down.

We should maybe not be so sensitive about land acquisition and land banks, as the hon. member opposite has mentioned, because I think, from time to time, this has to be done, otherwise the costs are out of control and the average individual or the lower-income individual unfortunately has no choice but to pay more for that home.

It has been stated very well by many hon. members opposite and on this side, that there are many other considerations regarding financing, such as lease purchase, which I support, and I think is an excellent idea -- lower down payments. This should be adjusted, along with longer mortgages and a special interest rate for those who want homes.

Hon. members, I will conclude this statement by saying this; the home or house is only one aspect of one index of our standard of living. We know that the United Nations has described the indices as such: food, clothing, shelter. There is health and education; there is social security and employment, freedoms, and recreation. So when we're talking about housing we're dealing only with one-ninth, albeit, maybe a very important one, but not alone in isolation. So what I'm suggesting here is that we thrust forward, not only on housing, but on the total approach that some of the hon. members have mentioned; the total approach of assuring that there is a balance in the community, that these people who are in the lower income groups are assimilated in the community and part of the community, and are allowed to participate with the rest of the people. Then we will have a satisfactory equation and we won't be so concerned about free enterprise and government.

MR. LUDWIG:

Mr. Speaker, I just have a few brief remarks. I support the amendment, but I believe that the type of reasoning that we listened to is certainly interesting but we could not be that rigid that there is only one way to handle problems. There are many people who cannot surmount economic barriers; we have to help them whether they are unable to work or whether they don't want to work, or whether work is not available. We cannot simply say that there is only one system, private enterprise, private ownership and nothing else will do. I believe that we have to be flexible enough to be able to handle quite a range of problems.

But I certainly agree with the amendment. I believe there are a number of factors that encourage people to purchase their homes. I also believe that the more people who own their homes in a society, the more stable a society we have. I believe that the more people who rent homes in a society means that we tend to go towards instability.

I think one of the points that was missed by all hon. members today, and that is in dealing with the ownership of one's home, is the question of environment. A lot of people have managed to accumulate some money and buy a beautiful home. They buy a home for \$50,000 or \$60,000 and something happens. Some planning decision is made that discourages people from owning homes. You may buy a beautiful home in a beautiful residential district with beautiful environment, parks and trees and everything, and then someone decides, without consulting you, that they are going to put a freeway through the middle of your residential area. Therefore, without saying anything, they have taken away one half the value of your home. This is inequitable. I believe it is almost uncivilized to do things like this to people, and still there is no legislation to provide compensation to people who have lost a great portion of their investment because someone decided that in the public interest, or for the good of society as a whole, something has to be built in your area, thereby taking away half the value of your home.

When I mention this, Mr. Speaker, I would like to give a specific example of what environment can do to discourage people from owning their own home. I'd

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like to make reference to a situation that is now existing in east Calgary where hard working people, people who could not afford mansions but bought homes which are expensive, even though they are not large and beautiful homes. Nevertheless the purchase of these homes represents their life investment. They bought these homes - perhaps if the property appreciates some of them will sell - to live in for the rest of their days. Then something happens in this area. Someone decides to build what they call an agri-mart, and overnight the property in this large area of east Calgary, Forest Lawn, has depreciated to the same extent as if it had been confiscated by the government. Homes which are worth \$25,000 now will not sell for \$12,500, if at all. A panic has been created.

MR. FARRAN:

A point of order, Mr. Speaker. That is a pretty serious allegation. Unless the hon. member can substantiate it, it's going to do a considerable --

MR. SPEAKER:

The hon. member is not entitled to make a speech in that way on a point of order.

MR. LUDWIG:

Mr. Speaker, I was going to carry on that it is a serious situation. I'm surprised that some hon. members could be so indifferent to this issue. When we talk about concern for the people, concern for the taxpayer, we also have to be concerned about their investments and the environment in which they have to live. I'm not alleging that the establishment of the agri-mart is, in fact, obnoxious. I don't mean anything of the sort. But I'm saying that the very thought of having what one generally calls a form of slaughter house in the district will depreciate the property tremendously. As I stated, it's tantamount to confiscating half the value of the property of the people who generally reside in this area. It behooves all of us to be concerned about this, because it can happen to anybody. I think that particularly the Minister of Municipal Affairs and the Minister of the Environment ought to take a good look at this issue immediately, to see if something can be done to intervene or bring in legislation that will prevent this from happening again. I don't need to go at length into Port Chippewyan or to Picture Butte to give examples of this happening. We all know, and we have seen it happen. I certainly urge that when the hon. members here talk about a government policy that encourages ownership of private dwellings, they consider this as a serious factor in the issue. Many people say, "I'd like to buy a house there, but I'm cured. When I see people lose their property, lose their investment, I'm not going to buy, I'm going to rent." I think, Mr. Speaker, that this is a relevant point on this motion, and I believe, a valid appeal, and that the ministers involved ought to make some declaration that they can do something about it. Thank you, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

The hon. Member for Drumheller begs leave to adjourn the debate on the amendment. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

It being now half past five, the House stands adjourned until 8:00 o'clock this evening.

[The House rose at 5:30 p.m.]

