

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eleventh Legislature
39th Day

Wednesday, April 2, 1952

The House met at three o'clock p.m.

SECOND READING

Bill No. 92 — An Act to amend the Housing Act

Hon. J.H. Sturdy (Minister of Social Welfare): — Mr. Speaker, the purpose of this Act is for the object of providing housing. You will recall that a few days ago a resolution was passed in this House recommending that certain things be done, and we are now coming along with the legislation to put these recommendations into being. The promptitude with which this has been carried out is commendable. I doubt whether it has been reproduced for many, many years, if ever, in the Saskatchewan Legislature.

In brief, the amendment calls for two things — first, an amendment to section 35 of the Housing Act. You will recall, Mr. Speaker, that under our Housing Act that was passed, in 1950 I believe it was, we consented to enter into an agreement with the Federal Government to implement that section of the Act. It called for 75 per cent of the capital cost of any housing project to be contributed by the Federal Government and 25 per cent by the province and municipalities. Our Act, at that time, stated that the Province would contribute 12½ per cent and the remaining 12½ per cent of the capital cost of any project would be contributed by the municipalities. The present amendment provides that, of this 25 per cent required by the province and municipalities, the province's share will go up from 12½ per cent to 15 per cent and the municipality's share will drop from 12½ per cent to 10 per cent.

It means, also, that if there is any subsidization of rental under this agreement, the Federal Government will contribute 75 per cent of that cost of subsidized rental housing, the province 15 per cent and the municipality 10 per cent. As an example, if it were decided to subsidize the rental of a house in the amount of \$20.00 a month, the Federal Government would contribute \$15.00 of that subsidy, the province \$3.00 per month and the municipality \$2.00 per month, or \$24.00 per year.

Now I am hopeful, Mr. Speaker, that this amendment will attract our municipalities to enter into an active housing programme. It seems to me that if we accept the responsibility on a three-way basis, Federal, Provincial and Municipal, that we should be able to get somewhere with this badly needed housing situation as it exists today.

I think, too, that it will be of great advantage to the municipalities, because, out of every \$10.00 expended on housing within the municipality, \$9.00 of it will be contributed by the two senior governments and only \$1.00 out of \$10.00 will be put up by the municipality.

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I have some information here that is relevant, that I would like to give to you. I am pleased to say that many municipalities in Saskatchewan have evidenced interest — not all of them, but there have been very serious delays in completing agreements. I am pleased to say that, in the case of Moose Jaw, for example, there was every co-operation on the part of the Mayor of Moose Jaw and the Council, with the result that we have completed our first agreement on housing. That housing will go ahead this spring and we are now in a position to begin negotiating for a second housing project in that city.

I regret to say that, in the past, in the city of Regina, of all the cities that most urgently needs housing, there has been a very serious delay. I regret that the ex-Mayor of the city has failed to co-operate with us in completing a housing agreement, but under the present Mayor negotiations are going along very well and I am hopeful that an agreement will be completed shortly. I would not have mentioned this only Mr. Menzies has taken this Government to task for lack of housing in the City of Regina. This is what he said in one of his statements, (there have been several). The former Mayor said, in a radio address; that home-building was an example of where the present Government had discouraged private activity. He said the Government had discouraged investment and loan businesses, with the result that it is practically impossible to borrow to build houses.

Now he must be referring, of course, to that Section of the Act which enables lending institutions to lend money, the return of which is guaranteed by the Federal Government. Well, these lending institutions, of course, include our banks and mortgage companies, and certainly this is a rather serious indictment of the banks of this Province. Their business has increased progressively ever since this Government came into power. They are now doing the largest volume of business that they have ever done in the Province of Saskatchewan, and yet they, according to Mr. Menzies, so control the economic and social life of this Province that they refuse to invest in housing, even if their investments are guaranteed by Ottawa. Well now, I think the ex-Mayor of Regina is wrong on two counts. First, the head offices of these lending institutions are located in Montreal and Toronto and, frankly, as everyone in Canada knows, the housing situation in Montreal is probably the most serious of any city in the Dominion of Canada. The slum conditions in the city of Montreal are the most appalling, possibly, of any city on the North American continent, or at least just as bad. The situation in Toronto is not very much better. So that if these institutions had been concerned about providing housing for the people surely they would have been doing it where their head offices are located.

Second, the housing situation has not been relieved by the lending institutions. The Hon. Mr. Winters has said, in effect, and I have his speech here, that private enterprise has failed to provide the housing required in the Dominion of Canada; that the lending institutions were not interested in this type of investment; that their returns from other types of investment were very much higher and so they were not interested in this type of investment. As a matter of fact, in the city of Winnipeg — and I will only deal with the two provinces adjacent to Saskatchewan — has a serious housing problem there. Winnipeg is not waiting for the lending institutions to solve its housing problems, as Mr. Menzies advocates, because if it had to wait for them the housing problem would never be solved. Nor

does the Mayor of Winnipeg seek to evade his executive responsibility by placing it on the Provincial Government.

I have here the “Western Construction and Builder” and I am quoting from it, in reference to a housing project:

“In Winnipeg a plan would involve the expenditure of \$7,411,500 and it would see up to 848 dwelling units built on two widely separated sites in the city. The plan is intended for wage-earners and others in a similar category who, with their families, need decent housing and who are willing and able to pay modest rent, but whose incomes are in the lower levels and who are, therefore, unable to meet the rents required for present-day private housing.

“The plan then presents no quarrel with the private builder over housing costs. It recognizes, like other commodities in this inflationary period, housing costs have sky-rocketed. It recognizes further, that irrespective of the auspices under which rental housing is built these days, costs are such that economic rents are necessarily correspondingly high, but it does say that there is a large group who simply cannot afford to pay economic rents.”

Not only is the municipality solving its own housing problems, but it is proceeding with a low rental housing project involving 848 houses.

And, in the Province of Manitoba, the Provincial Government contributes 12½ per cent of the 25 per cent and the municipalities contribute 12½ per cent. Here we propose, under this Amendment, that the Province will contribute 15 per cent and the municipalities 10 per cent. Included in this 10 per cent contributed by the municipalities may be the land which they contribute, lots up to \$200 and \$300, but not at inflated real estate values but at an equitable price that will enable us to keep down rental charges on these homes. Included, also, in the capital investment may be the cost of local improvements such as streets, water, sewage and so on. Now it is the function and duty of every municipality to provide these local improvements but, as I have said, both the cost of the lots and local improvements may be included in the 10 per cent that is now being contributed by the municipality towards the capital cost of any project.

In Winnipeg, where they have a serious housing problem, the municipality is not waiting for lending institutions, as proposed by Mr. Menzies, but is going ahead itself and instead of getting 15 per cent under section 35 from the provincial government, they are getting 12½ per cent.

Now to turn to Alberta. I have here news clippings which indicate that the city of Calgary — the Council of the city of Calgary — is going ahead with a civic housing project costing the city \$1,500,000. It is a large development, I have seen the rough plans of it. The municipality of Calgary has not waited for the provincial government. It has gone ahead on its own responsibility to provide this large civic housing project known as

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“Ree Heights. When they went to the Provincial Government to complete the agreement under section 35, the Alberta Government had no legislation whatsoever. We have had legislation, trying to co-operate with Ottawa, since 1946, but Alberta had no housing legislation whatsoever. The article states that until the Alberta Government passed this legislation this housing project could not be proceeded with. During the present Session, Alberta is bringing down the housing legislation providing them power to enter into an agreement with Ottawa under section 35 of the National Housing Act.

Alberta, however, will not contribute 15 per cent as does Saskatchewan to the cost of a housing project. It means, then, that the city of Calgary will have to borrow or put up the whole of the 25 per cent. The Alberta Act does state, however, that it will lend to the city of Calgary, or any other municipality, the 25 per cent required, but this 25 per cent becomes a debt against the municipality.

I think that, of the three Prairie Provinces, Saskatchewan’s legislation is much more favourable to the municipalities.

We proceed, also, with another amendment to the Act, which enables us to contribute towards the implementation of section 9 of the National Housing Act.

Now, in regard to section 9 of the National Housing Act, which was passed in 1945, I have explained to the House during the debate on the housing Resolution that we endeavoured to come under that section of the National Housing Act but were refused year after year. The correspondence is here, the proof is positive. In 1949 Ottawa brought in an amendment to section 35 of the Act, which was going to solve all of our housing problems. That was the occasion, you will recall, when our Prime Minister made this statement, “Our government will not be satisfied until there is a decent home for every Canadian citizen.”

Well, year after year we were refused permission to set up a limited dividend housing corporation under section 9 of the National Housing Act. Both the municipalities and the provinces were refused that privilege. That privilege has now been extended for the provinces and municipalities. I hope it will work, but I am given to understand that, as far as section 9 is concerned it is not to apply to the cities, but it may be used by the towns which have been refused housing under section 35 of the Act. Now, the hon. member for Souris-Estevan (Mr. McCormack) was enquiring if I had any notification from Ottawa to the effect that that was so. I wish to quote to him my letter dated May 25, 1951 from Mr. Winters, in which he states this:

“I think it will bear repeating that construction difficulties exist and the partners may be embarrassed if the construction period is unduly prolonged. No priority of building materials are available for construction of this type and housing in large quantities may place a strain upon the supply of materials in the community in which it is built.

“Because of present conditions, it would seem desirable to consider applications only from the

larger communities, under section 35 of the National Housing Act.

“As rough yard-sticks, the number of residential units contemplated under section 35 at this time for any community should, perhaps, not exceed one unit for every 400 population of that community, so that towns at the present time are prohibited from coming in under section 35 of the National Housing Act, but it is now suggested that a town or a municipality that wishes to may set up a limited dividend housing corporation and borrow from the Federal Government 90 per cent, not of the construction cost, but of a fair sales value of the housing project.”

Section 9 means that the municipality will have to put up 10 per cent. If the municipality can persuade Ottawa that the fair sale price should equal the construction cost, then all the municipality will have to borrow will be 10 per cent, and we are prepared, under this amendment to the Act, to lend 60 per cent of that 10 per cent, or whatever the municipality contributes, which may be more than 10 per cent, as I have said, leaving the municipality to contribute the balance, viz. 40 per cent.

Now, one of the shortcomings of this project is that it does not make provision for low-rental housing or subsidized housing. It will depend on Ottawa whether it will set the sales value at the cost of the project. If it does that it means that the municipality will only have to borrow 10 per cent of the cost of any housing project and, of that, the province is prepared to lend the municipality 60 per cent of whatever it contributes. The municipality will put in the balance.

I think that pretty well explains the purpose of the amendments to this Act. The amendment provides, under section 9 of the National Housing Act, that the Province can set up a limited dividend housing corporation itself, that the municipalities can set up limited dividend housing corporations. If they do, then the Province is prepared to contribute by way of loans, 60 per cent of the cost contracted by the municipality.

Mr. A. Lopton (Saltcoats): — Mr. Speaker, may I ask the hon. member a question? Are you prepared to put up 6 per cent only of the selling value of your house?

Hon. Mr. Sturdy: — Evidently my hon. friend has failed to follow, as he very often does, what has been said.

Mr. Lopton: — That is just what you said — that is what you said.

Hon. Mr. Sturdy: — Again, repeating what I have said, for the benefit of the hon. member: Under section 9, the municipality may borrow from Ottawa 90 per cent, not of the construction cost of a housing project, but of the sales value or fair selling price of the houses involved. Now, if that sales value is 90 per cent of the cost of the construction, the municipality will be putting up approximately 20 per cent. So you see that

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that it is not a case of us being limited to 6 per cent of the cost of construction, it may well be a good deal more than that.

Now, here is the point I wish to bring forcibly to the attention of the House and it is this: Municipalities apply to the Provincial Government to negotiate agreements with Ottawa for housing under this section 35, but under section 9 the municipality does not go through the province, it goes directly to C.M.H.C. — Central Mortgage and Housing Corporation — which administers housing for the responsible department in Ottawa.

Now, if in the past there was a possibility of a municipality setting up a limited dividend housing corporation then they could have gone directly to Ottawa for the loans required. Again I wish to make that very clear. As far as the province is concerned, it does not enter into any negotiations between the municipalities and Ottawa as far as section 9 is concerned. The municipalities have been aware of this but I do not know of a single municipality in the entire Dominion of Canada that has come under that particular section for a large-scale housing programme. As a matter of fact, they have not, and whether housing will develop under section 9 of the National Housing Act I do not know, but we have amended the Act in order to assist the municipalities if they wish to attempt housing under this section.

It also enables us to grant loans to an organization such as a Church organization or a service club, that wishes to establish a limited dividend housing corporation for the purpose of building, say, homes for aged people, as they have in the city of Owen Sound, Ontario. If they wish to go into this type of housing, then, again, the Provincial Government will lend to them 60 per cent of the amount of money which they contribute in any type of housing project.

Again, in respect to the city of Regina, we have failed to complete our first agreement but I am hopeful that it will be completed in the course of a very few days. It can never be said, at any point, that the Provincial Government has held up that housing agreement.

Now I wish to state that, in respect to the Province of Saskatchewan, the city in greatest need of housing is the city of Regina. Fortunately the Provincial Government has an area of land that is very suitable for housing. It is between Broad Street and Winnipeg Street, between College Avenue and the Lake. It comprises, I think, about a quarter of a section of land. In any event, we have had a survey made of it and tentative plans drawn for a housing project that would pretty well accommodate a thousand housing units, especially if two or three apartments are built in that area. We extend to the city of Regina the invitation to come in with the development of that housing project to provide much-needed housing for the people of the city. The city will be required to provide the local improvements that they would be required to provide under any extension of housing in their city . . .

Premier Douglas: — As a part of its 10 per cent?

Hon. Mr. Sturdy: — Yes, as a part of its contribution. I do wish to emphasize the interest that has been taken by the Hon. Mr.

Williams and the Hon. Mr. Fines in this proposed project.

Mr. Speaker, I think if there are any questions to be asked they can be best asked in Committee and any further discussions may well take place at that time.

I move second reading of this Bill.

Mr. McCormack (Souris-Estevan): — Could the cities come in under section 9?

Hon. Mr. Sturdy: — It is doubtful, and section 9 frankly is not as favourable as section 35. As far as I know there is no province in the Dominion of Canada where the municipalities have set up limited dividend housing corporations for large-scale housing. Section 9 will be limited to towns but this is a matter for the Federal Government to decide.

The question being put, it was agreed to.

Hon. Mr. C.C. Williams (Minister of Labour): — Mr. Speaker, would just like to take a few minutes to speak in favour of this Bill, as one of the representatives of the city of Regina.

I think we all realize that this city is greatly overcrowded and, as the Minister who has just spoken has indicated, is one of the most crowded in our country. We all know of conditions of people living in rooms which, in many cases, is not too bad, and attics and basements. And I have even known of some occasions where some people are living in verandas during the milder weather. It is a most undesirable situation and I know everyone in this House would like to see these conditions eliminated just as quickly as possible.

Now Regina, back in the middle 'thirties, had a population of approximately 55,000. In the year of which I speak, as a matter of fact, one out of every five was on relief, but that has nothing to do with this Bill. But we do not want to see those conditions come back. At the present time it is estimated at approximately 72,000 which means in the past few years we have had an increase of people coming into Regina of approximately 17,000.

Housing, of course, has not kept pace to any extent. In that time, or since, let us say, the war — since 1945-46 — we have had 900 wartime houses built, 147 army houses, 100 out at Arnheim Place, 110 suites in army huts and so forth, 200 emergency shelters, which totals up to approximately 1,500. Emergency shelters are gradually disappearing because as they become vacant they are not re-rented, they are sold and moved away and will eventually all disappear. A number of the other units too, especially airport and army buildings, are more or less a temporary measure and cannot be considered, by any stretch of the imagination, to be permanent homes.

Now, the jail property, that is the name it is known by, which was described by the former speaker as being between Winnipeg and

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Broad Streets, is, of course, the most desirable site for a residential area that we can find in the vicinity of the city. The trunk sewer was put down a year or two ago, a continuation of the Broadway trunk sewer, and is completed right across the centre of the property. Plans have been drawn, fitting in with community planning, and we do want, and I wish to urge here, that the departments concerned — Social Welfare, Public Works and the city officials — get together just as quickly as possible; the red tape be cut to a minimum and they all get together and start this project during this year 1952. We do not want to leave it until 1953, just another year more in which hundreds of people will live in undesirable surroundings.

I am informed too that in the 1946 census there were 3,513 crowded dwellings in this city, and the Dominion Bureau of Statistics' definition of a crowded dwelling is less than one room per person. Now, during those six years the residential construction in this city has fallen short by 1,093 units. The estimate I have here as to the number of homes required, and I cannot vouch for its accuracy without checking two or three conflicting sources, but it is that at least 1,500 homes could be used immediately. I would say between 1,500 and 1,800 would make our problem in housing largely disappear. The area which I spoke of, the jail property owned by the Provincial Government for the last 50 or 60 years, would provide approximately 1,000 homes and would go a long way toward improving the situation.

I just want to say that I appreciate the Bill the Minister is bringing in, of increasing the percentage to be loaned by the Provincial Government as described by my seat-mate, which will provide an incentive to the urbans, not only here, but urbans in other parts of the Province, to enter into these schemes, and I am very glad, Mr. Speaker, to be able to support this Bill.

Mr. H.J. Maher (The Battlefords): — Mr. Speaker, I do not wish to prolong the debate on this particular Bill, but I want to concur with the Minister in putting through this Bill today. I hope, however, you will not forget the smaller cities in the Province. They have many housing problems too, and I hope that his department will encourage these smaller cities to take advantage of this legislation.

One of the problems, as I see it, in this legislation, is that some of the smaller cities find it rather difficult to even finance the 10 per cent. The reason I say that is, as we all know, under the City Act, municipalities are only allowed to borrow up to, I think, 15 per cent of their assessment. Quite a number of smaller cities are reaching that limit, with the result that it is very difficult for them to provide additional capital funds to go into a housing scheme. For example, North Battleford, with which I am reasonably familiar. They have been faced with a lot of capital expenditures since the war; a water tower, they must build a city hall and have many other projects and it does make it very difficult for the small cities to take advantage of this legislation. I would hope that the Minister would encourage them to go into it and if he could find any way of assisting them probably a little more — your larger cities have great assessments and bigger buildings — to get them started. I appreciate

the housing shortage in the cities of Regina and Saskatoon, but I would suggest that, as far as North Battleford is concerned, and probably Weyburn and Yorkton and Swift Current, they are probably just as bad only in a smaller way, and if something could be done to encourage the municipal councils in the small cities to go ahead under section 35 I think it would be of great benefit to all the Province.

The question being put, it was agreed to.

The Assembly adjourned at 5:45 o'clock p.m.