

way indicate that the position I have taken means I am trying to protect large developers—to the contrary, Mr. Chairman. One of the consequential effects is that this provision will have a tendency to drive out those small developers who do not have the liquidity to be able to go through the long haul and stay in the business of building houses.

It seems to be precisely in the interest of the large developer that this kind of provision ought to go forward because, if the small developer is not allowed to stay in business, this will reduce competition. We will be concentrating more and more on putting the development of housing in this country into the hands of those very people about whom the hon. member for Broadview quite rightly complains.

I share the hon. member's view with regard to the large developers. I also share his view that this particular provision ought to be there in that respect. However, I am disappointed that the Department of Finance has not been able to find a way to make a distinction between the large developer and the small developer who is legitimately trying to develop his land and, not by any lack of goodwill or seriousness about building on his part, is forced, by municipal bylaw into methods of getting approval which result in delays for months and often years before he can proceed with his legitimate development. It is these people I am very much concerned about, Mr. Chairman.

I have had representations from small builders in my constituency and elsewhere who are deeply concerned that they will be adversely affected. If they are adversely affected it will not be in the public interest because competition is a fundamental way of guaranteeing a fair deal for the consumers.

I certainly hope some way will be found to make that kind of distinction between the large corporation and the legitimate small developer who wants to provide homes and perform a useful function in society. In fact he is responsible for a lot of the pressure and competition to keep house prices at reasonable levels.

There is no question that the high cost of land is one of the most fundamental elements in the excessive cost of housing. We have to attack that in many ways. However, that problem largely has to be resolved at the municipal and provincial levels. It is they who place roadblocks in the way of those legitimately trying to develop land. They force the developer to hold land for extended periods of time, at very high costs. That, of course, is ultimately passed on to the consumer.

In my earlier remarks on this subject I mentioned the difficulties involved with impost fees placed on land costs in municipalities. They clearly have an adverse effect on keeping down housing costs.

Getting back to the original point, I am disappointed that to date a way has not been found to make that distinction between the large developer and small legitimate developer who will be adversely affected. It will have a consequential effect on competition in the housing field which does not appear to be in the interests of the consumers of this country.

**Mr. Stevens:** Mr. Chairman, I realize that the hon. member for Broadview could hardly finish his speech

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without breaking into laughter about some of the facts he was putting on the record, but I take it he must have felt he had some purpose in putting down a lot of misimpressions.

This is not a question of doing something that will seriously affect the large developers in this country. The hon. member for Broadview knows that. If he is concerned about the tax position of some of those companies, he should realize that if this amendment goes through today and becomes law, it is not the big companies that will worry about it. They have sufficient other resources and sufficient write-offs to offset, for many years, whatever will be the tax implications of this clause.

As the hon. member for Ontario stated, it will be the smaller developer who will feel the crunch. It might be helpful if we came down on these lofty, vain figures that have been bandied about, and dealt with a few specifics.

If I understood the hon. member for Broadview correctly, he stated that Central Mortgage and Housing Corporation said there is a need for 19,000 acres of developable land in the Toronto area. And lo and behold, he added up the acreage that belonged to various companies and it came to 18,000 acres. He created the impression that they are the demons. That is totally ridiculous.

The actual fact is that in the Toronto area there are probably one million acres that could potentially be developed. CMHC stated that in their opinion there is an immediate need for 19,000 acres to be brought onto the market.

**Mr. Gilbert:** No, no, in a ten year period.

**Mr. Stevens:** All right, in a ten year period. My point is that it is a governmental responsibility at all three levels that those 19,000 acres are not being brought on more quickly than in past years. It is the bureaucracy that the NDP caucus and the Trudeau Liberal caucus love so much that is the main impediment to the development of serviced land in this country.

When developers are held up from bringing land into a serviced condition so they can build houses, and cannot charge the expenses of carrying that land against their income, that is only complicating the problem. Let us be specific. The land component of a serviced lot is roughly 50 per cent.

In the Toronto situation lots are commonly selling for \$20,000. If a developer is forced to carry land that is worth \$10,000 a lot, that means he has to pay roughly \$1,000 at 10 per cent interest each year. He has to pay between \$400 and \$600 on account of taxes. The minister is saying that neither of these items will be chargeable against his income. This means that a man who is in the 25 per cent tax bracket has to pay between \$300 and \$400 a year. Between \$1,500 and \$2,000 has been added to the cost of land before a house can be built on it. An hon. member said he might have to sell it to build a house on it. But to whom would he sell it? The municipality is refusing to acquire the land. The Minister of Finance says he doesn't care why he does not develop the land; he insists that a tax be paid notwithstanding the fact that owners are laying out maybe \$1,600 a year in direct expenses.