

make everybody happy. Then, of course, it could spend more of the taxpayers' dollars building it all up again.

There are other examples of government interference in other countries, and I should like to give one or two of them. I think it is worthwhile looking abroad sometimes, because we tend to think these problems are only Canadian and locked into Canada.

A letter was sent by some Torontonians now living in London, England. These were not just ordinary people. One was working in a housing agency in London, and another was a graduate student in planning cities from the London School of Economics. They were not the average type of person. Their observations on the housing situation in London are interesting. They report that owner-occupancy and council rental housing have increased substantially, not only in absolute figures but in ratio to the housing stock. They go on to explain that this was not the result of market forces alone, but occurred by government design. Obviously, certain types of housing can be increased by government design. This does not mean this is the type of housing wanted or needed by the people who will be living in the houses. This letter goes on to explain about the enormous number of vacancies there are in London today.

Another debate which took place earlier this year in this House, in May, gave us another predictable series of responses. One of the hon. members in the party to my left felt the government should enter the construction business because owning a house is not a privilege but a social right. That was the hon. member for Sault Ste. Marie (Mr. Symes). He was not supported by one of the government members who said it would be a dream to believe that all Canadians could own houses. I think predictably my colleagues during that debate remarked about the patch the government was putting on a sinking ship. Of course my colleague, the hon. member for Kingston and the Islands, indicated that the same minister was not really saying the truth when he suggested we were going to have 210,000 housing units in 1975, and that in reality it would be considerably less than that.

If I can go back to the control aspect of housing, I am reminded in Vancouver that recently a real estate firm that had for many years provided housing units for the people in Vancouver announced it was going out of the rental housing market because renting no longer makes a satisfactory profit. Of course my friends to the left think that all these real estate people are making fortunes. The fact that this company is taking this step should not come as any surprise to anyone in this House if he was listening to the Minister of State for Urban Affairs on Monday when he stated this was the reason for the lack of building in this country today.

Having regard to who owns housing in this country, let me say that the Rental Housing Council of British Columbia observed recently that less than 20 per cent of all rental suites have what they call big owners. The vast majority of people in this housing are small investors who are investing their retirement funds. Even if the biggest companies owned a lot of the rental real estate units, these companies consist mainly of the very working people my friends to the left seem to support.

National Housing Act

Other statistics show that in 1969, 1970, and 1971, before the federal tax changes, applications for multiple housing in greater Vancouver averaged 8,400 per year. New rentals outnumbered new condominiums seven to one. By 1972 and 1973, after the federal government had removed the tax shelter incentive for certain investors, the applications were down to 7,000 per year, with rental units only outnumbering condominiums by three to two.

Then we got into rent controls in British Columbia, and the annual rate of multiple applications is still healthy, being 6,200, but new condominiums outnumber rental units by six to one. That is, there is one rental unit for every six condominium units now. The only rental units now being built are subsidized public housing and some private luxury units. Private rental units are no longer being built and no longer being planned, and rent controls are the prime reason.

You may say I am dwelling unnecessarily on rental housing, but I would ask you to examine the effects of a shortage of rental housing. If someone cannot rent an apartment he thinks would be suitable for him to live in he has to go and buy a house. He may buy a condominium or a detached house. There is tremendous pressure being placed upon the housing market in every area as a result.

In Vancouver the city council was finally moved to take action to prevent the conversion of rental housing units to condominiums. Many landlords found they were being hopelessly squeezed by costs and rental control, and the only way out for them was to convert these buildings from rental units to condominium units, sell them, get their money out and go on to something else. If that had been allowed to continue the pressure on rental housing would have been even greater. I do not admire the intrusion by the city council into the housing market.

All levels of government are guilty of allowing an antiquated building code to add substantially to the cost of housing. There is no excuse for any kind of code today that requires the same kind of building in Vancouver as, let us say, in the glorious climate of Ottawa. That is the way it is at the moment. This can do nothing but add to the costs the people must bear. I have one or two other references.

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Just six weeks ago the housing industry at a meeting in Toronto anticipated that inflation in construction costs is the primary reason for the jump in housing costs, and said that runaway labour costs continue to be the main culprit. They apparently did not see much help from the government's Bill C-73 which already had been announced by the Prime Minister (Mr. Trudeau) at that time. The industry did not foresee any significant increase in new construction to ease the critical shortage of accommodation in many urban centres. They submit that the threat of rental controls in one form or another is a contributing factor to a lack of construction activity. I think it is obvious that Bill C-73 has been used by the federal government to encourage provincial governments to become involved in rent controls.

There is a newly formed outfit in Vancouver called the Fraser Institute. It is a new Canadian research institute meant to give competition to government sponsored research. It was created to re-direct attention to competi-