

● (1600)

It was under the Liberal government that we saw a tremendous increase in the holdings of land development companies. For example, Nu West, a major land holding company and developer, increased its assets in 1973 from \$89 million to \$482 million in 1977. This was done under the Liberal government. The Liberal government allowed this type of exploitation of Canadian home owners.

In 1973 Cadillac Fairview had total assets of \$900 million and in 1978 they had doubled to \$1,800 million. In 1973 Bramalea had \$147 million worth of assets and in 1978 it had \$347 million. A few large developing companies acquired a monopoly situation. They were able to boost up the cost of land to a point where in cities such as Toronto and Vancouver one has to pay an extra \$25,000 for a lot. This is because of the exploitation which the former government allowed to occur. Thus, the Liberals must accept full responsibility for that development, there is no doubt about it.

I join with members opposite when they condemn the Liberal party for allowing that to occur. It was a major rip-off of Canadian home owners. It is why urban land prices in Canada today are so much higher than they are in the United States. There is a lot of land in Canada, and obviously it is ridiculous that land should cost more here than in the United States. Obviously it must have been a sweet deal for the former government to have allowed such a major rip-off to have occurred. It should have been investigated under the Combines Investigation Act and the monopolies act. It should have been prevented. Had it been prevented, Canadian home owners would have saved thousands and thousands and thousands of dollars. When I hear them now plead for the average home owner, I become cynical about the political process. Where were the Liberals a year ago, two years ago or three years ago when they allowed this rip-off to occur?

Will the present government do anything about it? No, they will not. Will they tackle the real reason why housing in the country is so expensive today? No, they will not. They will not go after the developers. Somehow or other, once a party becomes the government it becomes the friends of the same type of folk who were friends of the former government. Something must happen the moment one passes to the government side; one must acquire a whole new different mentality and a new set of friends. We see no change. In fact, I fear that the bill before us today will only benefit the very same developers. Yes, it will increase the cost of housing because the benefits received by the average home owner under this proposal eventually will find their way into the cost of houses. The cost of homes will increase by the amount of the benefit given to home owners by the proposed act.

Who will benefit from this? Who will benefit from the increased cost of housing? Surely it will be the land developing companies and the banks. It will not be the average home owner. It will not make housing more accessible to the average home owner. Eventually it will drive up the cost of housing rather than reduce it; it will increase inflation rather than decrease it.

### *Mortgage Tax Credit*

I cannot understand the economic thinking of the government on this particular proposal. In fact, I cannot understand the thinking of the government in the entire area of economic policy. The government and the Minister of Finance claim that the proposals before us today are to stimulate. Yet on the other hand the minister defends higher interest rates because he suggests it is time to reduce consumption, not to stimulate. On the one hand we have stimulation, on the other we have the opposite. It is a jig which they must do in Newfoundland; one step one way and another step the other way. It must be called the splits. It is the Tory splits. I am afraid it is the country that is hurting; it is the country that is being torn apart. They are inconsistent policies, policies which are to stimulate at the same time as tackling inflation and decreasing consumer demands. It is schizophrenic. A schizophrenic proposal such as this must originate in the fogs of the maritime provinces.

I, and I think the Canadian people, would dearly welcome a new, imaginative initiative on housing. One can imagine what the government could do if the amount of money being spent on this program was directly spent on housing. It would break up the urban land monopolies. It would actually start reducing the cost of housing for Canadians. We could get into land banks. We could get into co-op housing on a massive scale. It would actually reduce the cost of housing in this country. By doing that, all Canadians would benefit. At present the proposals before us, as many members and tax economists have shown, will benefit only people with higher incomes.

If these sums of money were to be used for housing, we would reduce and in fact subsidize interest rates. One can imagine what it would do for housing if we were able to reduce the interest rate to 8 per cent for all families earning \$25,000 or less a year, or if we were able to reduce it to 9 per cent for all families earning \$30,000 a year.

**An hon. Member:** What about those who earn \$31,000?

**Mr. de Jong:** Those people who earn \$31,000 are in a position to pay what the market will bear. Now we are helping those who are earning \$31,000 and more per year, generally at the expense of those who are earning less than that. That is why I suggest that the measures before us are unfair as well as unsound. Not only are they unfair in terms of the distribution of wealth according to income groups; they are also unfair according to geographic location. We could do so much for housing if the amount of money being spent in this tax bill was spent directly on housing. Why not do it? If these types of expenditures will be made, surely a housing program of \$2.2 billion would be something every Canadian would welcome. I am sure it would be something that would increase the government's popularity ratings to more than 28 per cent.

● (1610)

This government seems to be committed to committing suicide. It has not thought out any of its proposals. It comes in one day with one proposal and the next day it says something else which is counter to what they were intending to do at the beginning.