

Income Tax Act

that. There are some *bête noires* in our land development areas where the movement of land is slow. These people have been unresponsive to the housing need in their areas. They have had legitimate pressures on them with regard to the slowness and unresponsiveness of the neighbourhood groups that the hon. member was referring to and the person who, after all, in a democracy has the right to express himself. But I do not believe that we should contribute to the tax laws, to the back-up behind the dam, with respect to the availability of land, but more particularly with respect to its cost. That is exactly what this provision will do if it is allowed to stand.

● (1500)

If it is the wish of anyone to accuse the municipalities of being slow, whether or not the accusation is justified—and I think that in some cases it is—if it is their wish to accuse some provinces in this country of being slow with respect to the land development policies—and some parties tend to do that, not for any noble purpose but for a political purpose which I could only call crass and unworthy of them—then rather than having the Minister of Finance cause further difficulties in this whole dreadful field of housing with this legislation, the Minister of State for Urban Affairs should look into the matter. Those in this House who are accusers of other jurisdictions should go to the Minister of State for Urban Affairs and say to him: “Your job, Sir, is basically to provide financing for municipalities and provinces. Your job is not to deal with money markets so that your policies will sustain high interest rates; your job is to urge the provincial governments to modify their laws where they are wrong, change their procedures where they are inadequate, and coordinate their housing policies with those of the Minister of Finance so that nothing is done to slow them up”. If there is some way that you can open that gate, then there may be some justification for using the tax laws of this country to do this.

The tax laws of this country should do nothing to exacerbate the problem which faces our country in terms of housing. I think it would be well for all of us to take a serious look at this matter and not have a knee-jerk reaction to big developers and small developers as if there were something wrong with making profit.

This country was not built by governments. Many needs have not been met by governments; many needs have been met because entrepreneurs have decided to go into a particular field and make a legitimate profit. If there is some reason for attacking profits, let the government stand up and look the profiteer in the eye. But let us not use the tax legislation to do indirectly what the government does not seem to have the courage to do directly, if in fact there is profiteering. It is no good trotting out the catechism every now and again and saying that all corporations and all businesses are bad, because that is not so. It is a dishonest argument. Some of them are bad, and I would be prepared to admit it, but those should be dealt with directly. In a field where there is a real social need, surely the federal government should not put a stumbling block with its left hand in the way of what it is trying to do with its right hand.

The Minister of State for Urban Affairs is making a lot of noise as he goes from place to place talking about

[Mr. Baker (Grenville-Carleton).]

increasing the supply of homes; at least, he is pointing in the right direction. But whether he is using the right shoes to get there is a question that you and I could debate from now until the cows come home. The problem is that the Minister of Finance is impeding the efforts of the Minister of State for Urban Affairs with regard to housing. So I ask the minister to consider whether this is not a rare opportunity for the two ministers to get together and start to kick with the same foot, or be in track, as some people say.

If we do stand this clause, I hope the minister will consider this suggestion from the point of view of price and input into the cost structure of owning, acquiring and renting accommodation for Canadians in this country.

Mr. Gilbert: Mr. Chairman, before we stand this clause I would like to reply to the statement of the hon. member for York-Simcoe with regard to the building record of Cadillac last year. It is probably true that they built the number of units mentioned by the hon. member, but that does not mean they kept this up. They probably took a rest. They are very clever with regard to controlling their inventory, and if it is not to their advantage to build, they do not build. In fact, they held off last year.

The more important thing is to make a distinction between land developers and home builders, and I was surprised at the hon. member for Ontario who did not make the distinction. He thinks that there are big developers and small developers. Let me tell the hon. member that there are no big developers and small developers. There are big developers and small builders, and the small builders who build the homes have to go to the big developers to get the lots, and then they pay the highest possible price that the developer demands. This is the problem.

The day of the small builder holding land is gone, and, as the hon. member for Kingston and the Islands said, the CMHC survey indicates that in the main cities five or six land developers control the land. What happens is that the small builders, and there are very few of them left, have to go to the big land developer to get the property and they pay the highest possible price.

That is why I was really surprised that the hon. member for Ontario was taken in by the simplistic argument of the hon. member for York-Simcoe. The day of the big land developers is with us. They have control of the land surrounding the cities. They are the ones who have the great advantage of tax loopholes and who have been able to write off the land cost against their incomes. We have had a record of at least ten years of that.

When the hon. member for Grenville-Carleton says that the NDP is a party of national bleeders, then I say that any person who protects the developers is a financial squeezer. He is just protecting the financial squeezers, and I am really surprised that the hon. member for Grenville-Carleton would be taken in by that. I am doubly surprised by the hon. member for Ontario, because his is the government that is trying to bring in certain measures to release land on to the market and to reduce the sales tax on building materials. Do you know, Mr. Chairman, what we had to do? We had to set up a monitoring committee. In fact, I do not even know if it has been set up as yet. It was to be made up of representatives of the Ministry of State for Urban Affairs and the Department of Consumer and