

Urban Affairs

money in accommodation at what seems to them an almost incomprehensible price. Couples in their twenties earning maybe \$20,000, if both are working, and needing a decent house with perhaps a bathroom and a half, wonder whether or not they should invest in a house costing, say, \$60,000. They are filled with great tales from their friends who bought a house a year or so ago and sold it later at a profit of \$20,000. I put it to the minister that they did not really make \$20,000 on the house. The house was not worth an additional \$20,000. The money they received for it was just worth that much less. Also, as soon as they sell a house at an alleged profit of \$20,000 they have to buy another one and they find out—it should not come as a great surprise—that the price of the new house has also jumped \$20,000.

The question of apartment buildings comes in here. I may be unusual in this respect, but it is very difficult for anybody in political life to try to say a kind word for the landlord. Mr. Benson's tax reform has done as much as anything else to cause an accommodation shortage in Canada which is particularly noticeable in the low vacancy rate in apartment buildings. Possibly with the transition from the Dominion Bureau of Statistics to Statistics Canada, housing starts in the last few years have included apartment construction. This accounts for a large proportion of the high figures of housing starts; they reflect apartments that are under construction.

The question, whether Benson's tax reform resulted in restricting the profits made by landlords, is possibly of interest to those interested in finance. I would say, as I said two years ago, that there will certainly be a shortage of apartment accommodation as a result of removal of the tax incentive to own apartments. I think my forecast has been borne out. We can look across the country, and in every major city with the possible exception of Montreal there is a marked shortage of apartment accommodation.

What happened to the kindly landlord, the reasonable landlord who was not there to make a great deal of money out of the tenants but was there for what was called, when it was introduced, an incentive and which later became called a loophole? The Benson tax reform had the effect of driving reasonable landlords out of the apartment-owning business. They took their losses and left, and the apartment-owning business became a hard-nosed affair. The landlord was expected to make a reasonable return on his outlay and he had no way to make it except from the tenants. Rents went up, but apartments did not. I notice that some of the people who advocated the closing of the so-called loophole now say we need some incentive to get people to build and own apartment dwellings. So we have turned 360 degrees on that issue.

There was a practice in British Columbia a few years ago which illustrates the difficulty which socialists have. They can never see anything but an immediate problem and a quick solution. They never see the secondary effects of the quick solution. For instance, everyone agrees that arable land should be used to raise food. We have a good example in Victoria. The peninsula of Saanich is just north of Victoria, and the city was spreading out, using up very fine farmland on the peninsula. But the socialists have always preferred to use the stick rather than the carrot. The carrot might have been an inducement to build

houses or apartment buildings on non-arable land. Heaven knows, we have enough non-arable land in the province of British Columbia, particularly on Vancouver Island. But that is not the socialists' way. Their way is with the stick rather than with the carrot. Their answer was that there would be a land freeze on all arable land.

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Ever since then they have been walking around, wringing their hands and wondering what has happened to the price of city lots. It was obvious to anyone with their wits about them, anyone who knew the market, that when you freeze arable land around the city, scarcity of lots will drive up the price. A city lot in Victoria was worth \$9,000 to \$11,000 a year ago and people thought it was pretty high then. Such a lot is now worth \$20,000 to \$25,000—if you can find one, that is, and they are becoming more difficult to find. This is an example of a good concept gone completely wrong through a total lack of understanding of the secondary effect of legislation that is passed. I hope and pray that the minister will not fall into that trap with his \$100 million urban demonstration program.

The New Democratic Party are having their problems in this debate. I listened, as I always do whenever possible, to the hon. member for Scarborough West (Mr. Harney) who usually contributes something useful to the debates of this House. But last night I heard him floundering around on the housing debate, trying to be against the government that he was going to support within 24 hours—and this does present a difficulty. I feel for the NDP members at times. They are finding out that political expediency is a very hard taskmaster. If you use political expediency as they have been doing for the last 16 months, you will look a fool at times, and I suppose this is another of those times.

The hon. member spent the first half of his speech last night talking about fox hunts. I did not understand the connection between fox hunts and housing, but he seemed to think there was a connection. Fortunately, he reverted to type and got on to something that he knew something about, and I appreciated the last half of his speech which was devoted to transportation: although it is not always too easily connected with housing, it was far more intelligent than the first half of his speech.

If the government is not going to give people any incentive to follow the line it wishes them to follow, then I would appreciate it if it would at least not club them to death when they follow their own way. The more that these all-encompassing, all-smothering bureaucracies try to regulate housing, the worse things get; and this has been going on for years. Due to the shortsighted taxation policies of the Benson budget, there is a shortage of housing. Perhaps this is part of a master design by the socialist government. We are living in a mixed economy where we have a socialist government controlling a country that is dedicated to private and to free enterprise, and sometimes I think we are getting the worst of both possible worlds. The government is putting on restriction after restriction, and if the private sector fails to build sufficient housing there is always the rumoured and veiled threat that the government will go into the housing field. I think the demonstration examples that we have had of government