



Bright Ideas and Dull Heads

SENATOR A. W. ROEBUCK

“... this story from the land of the fairies.”

THE LATE James Brown of New York once met a question in a Parliamentary Committee as to why Henry George's proposals had been so long in adoption by answering that it takes a long time to drive a bright idea into a dull head.

The value of land in Canada, particularly in the vicinity of towns and cities, has advanced to such extra-ordinary heights that ordinary workers cannot obtain homes, and the lack of housing has become a national problem. It would appear that at long last some people in high places are beginning to recognise the disastrous facts. The *Toronto Daily Star* recently said that “land speculators hold an estimated three or four times as much land around Metro Toronto as there is in the built-up area,” and the newspaper gave for its authority a well-known and knowledgeable professor.

The tragedy is that these gamblers in the necessities of life are holding places to live at prohibitively high prices. For many years in Toronto a building lot could be secured for one thousand dollars. Now the home builder must travel far into the country, and the average price of a lot in a suburban division, we have been told recently, is eleven thousand dollars.

A member of the Ontario Legislature recently told a Committee on Food and Agriculture that he knew of speculators who had made three million dollars profit in a period of eighteen months. There is nothing unusual about that. When an area, greater than the size of Toronto, of what was formerly farm land, and sold as such, is now held as suburban building lots at an average of eleven thousand dollars each, the grand aggregate of the unearned increment is indeed “grand.”

A leading member of the Legislature sold a farm in the Toronto vicinity for a couple of million dollars—but that was some years ago. A portion of a farm in the Metropolitan Toronto area has just been sold for seven million dollars.

Isn't it just dandy that profits such as those indicated can be made by smart businessmen in and about this mushrooming municipality? Such prizes eclipse the Irish Sweepstakes—just dandy for vendors and for the speculator purchasers, but what about the unfortunate home seeker? Many thousands of heads of households who have family responsibilities are right out of that market. We are told that twenty per cent of our Canadian wage earners make less than three thousand dollars per year.

And what of those whose earnings make possible the purchase of a house priced at twenty to forty thousand dollars? Many, if not most, of such purchasers must mortgage their future for the rest of their lives. How do you distinguish that from economic slavery?

I said that the enormity of the housing situation is beginning to be apparent to even some of those in high places, and, of course, they have their solutions. The newspaper mentioned suggests a capital gains tax to be levied on land speculators: why not? They are not so numerous as to be politically dangerous, and to carry off the unearned gains of the vacant land monopolists would not interfere with the similarly unearned gains of land owners generally. Were we to deprive the vacant land hog of some of his profits, it might discourage somewhat the activities of the building lot forestallers. Like our “liquor control” system, it would make the government a partner in the business.

Obviously, it would not help at all the thousands of householders already committed, and would be of doubtful help to prospective buyers. It would alter not at all the vicious system that allows the owner to collect from the purchaser the cash value that the activities of the community attach to housing and business locations.

The Leader of the Opposition in the current political campaign has a more imaginative solution. He has announced a scheme that was suggested by a candidate in the recent leadership campaign. He would if elected, he says, establish satellite cities in the vicinity of our existing communities. By buying with public funds the whole site of the satellite city at the prices asked by the present owners, he would forestall the forestaller. It looks to be like killing the cat by choking him with butter. There will be time enough to consider this story from the land of fairies when a Royal Commission has sat on it and reported at great cost, and a Parliamentary Committee has sat on the Commission's Report, and the Cabinet is sitting on the Parliamentary Committee's Report.

By the way, has it occurred to anyone in authority to take the value of land for public purposes before it is carried off by the speculator and forestaller? That would make building sites available to home seekers in short order and would relieve the house owner from paying house taxes. That would cure the housing problem generally and completely.

No, you say, it wouldn't do; it takes too long to drive such bright ideas into so many dull heads.