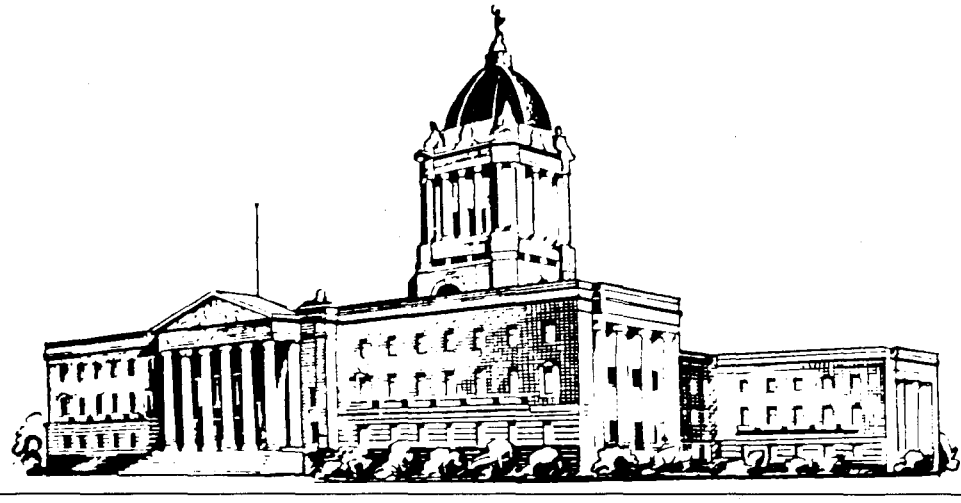
Legislative Assembly of Manitoba

HEARINGS OF THE STANDING COMMITTEE

ON

LAW AMENDMENTS

Chairman
Mr. William Jenkins, M.L.A.
Constituency of Logan



10 a.m., Thursday, April 15, 1976.

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THE LEGISLATIVE ASSEMBLY OF MANITOBA
STANDING COMMITTEE ON LAW AMENDMENTS
10 a.m., Thursday, April 15, 1976

Chairman: Mr. William Jenkins

MR. CHAIRMAN: The committee will come to order. We are now in Law Amendments of clause-by-clause discussion of Bill 19. There will be no more public representation. The members of the public are welcome to stay, but there will be no participation by members of the public at this stage of the bill.

Page 1. Is it agreed that we proceed page by page except . . .

MR. TURNBULL: No.

MR. CHAIRMAN: Clause by clause. Section 1(a)--pass, 1(b)--pass, 1(c)--pass. Mr. Walding.

MR. TURNBULL: Mr. Chairman, if I could, the staff of the Legislature are distributing some revisions to the amendments. We've revised the whole set of amendments rather than introduce separate sheets of paper, and I can highlight the difference between the sheet that you've just received and what were distributed in the House.

The first change in the amendments, as distributed, lies on the second page, section 2(2)(b), we're taking out the words there that lie in that clause, "and the rent payable for which is determined in relation to the income of the tenant."

MR. CHAIRMAN: Order please. I wonder if we could . . .

MR. TURNBULL: Well I just wanted to highlight, Mr. Chairman.

MR. CHAIRMAN: Well I think that we should deal with them as we come along, otherwise we're going to be in confusion, we'll be discussing the bill all over the place. 1(c)--pass. The Honourable Mr. Walding.

MR. WALDING: Mr. Chairman, I move that Section 1 of Bill 19 be amended by adding thereto, immediately after clause (c) thereof, the following clause: (c.1) "parties" where used to refer to parties to an application, proceeding or inquiry under this Act that relates to residential premises means

(i) the person who is the landlord of the residential premises at the time the application is made or the proceeding or inquiry is initiated,

(ii) where the application, proceeding or inquiry relates to a time previous to the date the application is made or the proceeding or inquiry is initiated, the person who was tenant of the residential premises at the time to which the application, proceeding or inquiry relates,

(iii) where the application, proceeding or inquiry relates to a time after the date the application is made or the proceeding or inquiry is initiated, the person who is tenant of the residential premises at the time the application is made or the proceeding or inquiry is initiated, and

(iv) any person who is the rent review officer or the board to whom the application is made or before or by whom the proceeding or inquiry is initiated, determines in his or its absolute discretion should receive notice of the application, proceeding or inquiry.

MR. CHAIRMAN: Is it regularly moved? Mr. Spivak has a question.

MR. SPIVAK: Well I think maybe the explanation I have, my understanding is that in effect the suite as opposed to the parties is what's really involved; the suite remains the actual right of rental increase, what we're concerned about is the suite itself.

MR. TURNBULL: The premises not the parties.

MR. SPIVAK: The premises not the parties. Therefore the only question would be the continuity where there, in fact, is a sale or there is a sale proceeding, but the fact is that the landlord at one period may very well be the vendor in a sale and the purchaser really is the one who has the obligation of fulfilling the responsibility with respect to the premises, and I just don't know whether that's included at this time within this definition or within the other definition sections that you have. In effect, as an example, at this present time, there are transactions in the process of being completed between vendors and purchasers, and if the premises themselves are involved now, the purchaser will in fact be the party to any application either on his behalf or against him

(MR. SPIVAK cont'd) . . . . . in case there is any variation. Yet, and at this point, he may not be the landlord or the procedure may take place during the time of the actual sale.

MR. TALLIN: That's what (iv) was intended to cover, that kind of a situation.

MR. SPIVAK: But all you're saying here is that it's discretion.

MR. TALLIN: That's right.

MR. SPIVAK: You're not, in effect, as between purchaser and vendor legally obligating them in terms of the rights with respect to a sale. What you're really doing is covering it by way of discretion on the part of the rent review officer.

MR. TALLIN: The person who is landlord at the time the application is made is the party. If there is another landlord prior or in the future which may be involved, if it's the future, I would think it might be the future landlord who would be bringing the application himself and he would then be a party, I would think.

MR. SPIVAK: I'm not trying to present an argument, I want to understand it from the point of view of the legal hassles that may evolve.

MR. TALLIN: Yes.

MR. SPIVAK: In effect, really, you are obligating the premises to certain conditions which in effect become part of the basic sale that may occur between a vendor and a purchaser, and as far as you're concerned, you're covered in it at this point. There's not going to be disputes between purchaser and vendors where in effect an income statement is shown which is the basis on which a sale takes place, and then you have a situation where the purchaser is then a party to the application because it's in excess over the amount that is allowed.

MR. TALLIN: I'm afraid I'm not quite following you there. Would you say it again?

MR. SPIVAK: Well the premises themselves are basically - the obligation attaches to the premises themselves, and as between the vendor and purchaser, in terms of defining their obligations, you're really not defining it for them at all, except the announced policy of the government, which may or may not have been within their knowledge because it may not have been communicated with them. And, in effect, the purchaser, innocently in this particular time, can become involved not because of any particular obligations determined in the legislation but because of the discretion of the rent review officer who will in fact bring him in.

MR. TALLIN: If he is the purchaser and presently the owner. If at the time that the application is made, he is the owner then he is a party. If he has not yet become the owner, then I suppose anything that the vendor brings by way of application would affect him, and he would then have some kind of a contractual rate as to what was transpiring. If the vendor did something which was harmful to the purchaser, he might have an action.

MR. SPIVAK: But the vendor's not obligated insofar as this Act.

MR. TALLIN: The vendor is obligated to . . .

MR. TURNBULL: Provide a statement.

MR. TALLIN: To provide statements, but he's also obligated under . . .

MR. TURNBULL: Twenty-nine?

MR. TALLIN: Is it 29? I forget the section. Yes, 29, because the new landlord is entitled to recover from him, but if for instance, the application was brought on May 1st, and the building had been sold on April 1st, the party would be the new landlord, because he's the person who is primarily liable. The old landlord is only liable in a secondary way if the first landlord wants to recover from him under 29. So I would think perhaps there may be cause in that case for the present landlord to ask the rent review officer to add the person as a party, and it's in his discretion to determine whether or not he should add it.

MR. CHAIRMAN: (The remainder of Section 1 was read and passed.)

Section 2(1)--pass; section 2(2)(a). Mr. Walding.

MR. WALDING: Mr. Chairman, I move that subsection 2(2) of the Act be amended (a) by adding thereto, immediately after the word "This" in the 1st line thereof, the word "Act"; (b) by striking out clause (b) thereof and relettering clauses (c), (d), (e), (f), (g) and (h) thereof as clauses (b), (c), (d), (e), (f) and (g) thereof.

MR. CHAIRMAN: The motion is moved. Mr. Spivak.

MR. SPIVAK: I think the Minister should explain the variations, the reasons for the variations between the original amendments and the new ones.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: We are now back to the Act as it was printed which in effect exempts all housing that is operated by the government. The reason for deleting it is that there are a number of particular classes of accommodation that under the amendments as distributed in the Legislature would be caught, and such classes of housing would be, for example, housing operated by the Royal Canadian Legion throughout the Province of Manitoba. So that rather than attempt to include all housing under this section, that is not related to income, I am now proposing that only housing that is or rather all housing that is operated by the various agencies of government should be included and not reducing the scope of the exemptions.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, by way of an attempt at further explanation, and I don't know whether this will satisfy honourable members, but by definition, those housing units which are being exempted are operated on the basis of cost, and if any one of them would appeal, they would be going through a redundancy of trying to get cost pass throughs which are all that they are entitled to do. I think that we got it out of the people who said that they are the same thing, that with regard to public housing there is no capital gain, there is no resale profits realizable, so it would merely clutter up an administration and cause a whole bunch of agencies such as the Legion, such as the others who are required to operate on the basis of cost throughs, to come to make what is a redundant appeal in order merely to satisfy those who are suggesting that the public is making an exception. It is not an exception, the public is already obligated to deal on increases in rent only on cost pass throughs and that's the way they operate.

MR. CHAIRMAN: Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, by way of clarification, does the elimination of this clause mean then that housing that is financed under Section 15, such as limited dividend housing and non profit housing, is no longer excluded from the application of this Act?

MR. TURNBULL: I think that it is excluded. In other words, it's exempt from the control of the Act. Is that . . .

MR. TALLIN: Not if you strike out clause (b).

MR. AXWORTHY: Not if you strike out clause (b) - that's why I'm asking. If you leave clause (a) in, it's causing . . .

MR. TURNBULL: Are we on 2(2)(a) or on 2(2)(b)?

MR. CHAIRMAN: 2(2)(b).

MR. TURNBULL: I'm sorry. Okay.

MR. AXWORTHY: Well, that's the question I would have, Mr. Chairman, is all the housing such as limited dividend, section 15 housing, which includes non profit housing, is that now to be included in the Act under the . . .

MR. GREEN: Mr. Chairman, was it not the effect of the amendment to go back to the original (a) and (b)?

MR. TURNBULL: No. It was to take out the words added to the end of 2(2)(a).

MR. AXWORTHY: Mr. Chairman, the reason I raised the question that if the Honourable Minister of Mines and Natural Resources' explanation is true, then Section 15, Housing, which includes both limited dividend in the profit field and the non profit field, has certain control procedures applied to it where they can only raise the rent according to certain cost fixtures, plus a five percent return. So I'm wondering why if you're still excluding public housing, why you're not also excluding limited dividend housing or non profit housing, which in many cases has many of the same conditions applied to it except that it doesn't happen to be run by government. It's being run by private agencies. -- (Interjection) -- Well there is a control factor, they are publicly controlled, that's the point, they are publicly controlled.

A MEMBER: They are not publicly owned.

MR. AXWORTHY: They are just not publicly owned or administered, but they are publicly controlled. If you were to take a non profit loan or a non profit corporation, of which there are several in the province, that operate housing . . .

MR. TURNBULL: Including the Legions.

MR. AXWORTHY: Including well Legions, community organizations, a variety of those; they have a 100 percent loan for which the rent is controlled, what they can charge for rent is controlled. They are not allowed a rate of return, and if there's resale they are not allowed to receive capital gains on it. So it would seem to me, the only difference between that form of housing under Section 15 and public housing, is that one is in fact, managed or administered by private agencies or organizations, and the other by government ones, and it would seem to me that is unfair.

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Mr. Chairman, my understanding is, unless I heard wrongly, that this was the intention of the Minister in this particular amendment. I haven't got it before me, so I don't know exactly how it reads, but I would agree with you, and I think this is what the Minister is intending, that not only public housing, but also what some people might call privately-owned housing that are administered under certain controls of the Central Mortgage and Housing Corporation, limited either to degree of profit or limited to the degree to which they can alter rents, that these should be excluded from the control provisions of this Act. So I would hope the legal counsel and everyone concerned is on the right track, that this is our intention and that this is what we are doing, because I agree with you. I think the limited dividend is . . .

MR. TURNBULL: Mr. Chairman, the point made by the Member for Fort Rouge is certainly a good one, and we can revert back to section (b) and include it as it is written there, and that would --(Interjection)-- yes, and limit it to non profit and limited dividend, yes.

MR. CHAIRMAN: Mr. Green, would you use the microphone, please.

MR. GREEN: Just so that we're not - sometimes one makes amendments right on the spot. In Law Amendments Committee you sometimes don't think of something, and if by doing this we have not caught some form of housing which applies to what my honourable friend has referred to - the Member for Fort Rouge - that there are some categories that fall under this which are not controlled, then we would want to come back and try to correct that. But otherwise I think that the intention was that if the rents are already controlled to non profit, or in the respect that the Act is intended to deal with, that the Minister is indicating that he has no problem leaving (a) and (b), unless that catches some housing that is not intended by the remarks that the member made. So if we put them back now and if there's another amendment needed, we can deal with that.

MR. TALLIN: If you wanted you could make it abundantly clear by saying "to tenancies of residential premises owned by non profit or limited dividend corporations where the rent is payable."

MR. GREEN: Okay.

MR. CHAIRMAN: Mr. Axworthy.

MR. AXWORTHY: I think the intention is right, but I would believe that the words "limited dividend corporations" might be confusing because you could be a private housing company which has some limited dividend housing under your portfolio, but you are not a limited dividend company necessarily. But in that particular use of housing, you are subject to controls under the limited dividend provisions of the National Housing Act, so the word corporation wouldn't be applied, but if you simply said, "limited dividend non profit housing units. . ."

MR. TALLIN: I'll try to work out an amendment, and we can bring it back maybe tomorrow. Could you leave this open until the end of the meeting.

MR. CHAIRMAN: Yes.

MR. TALLIN: Fine, thank you.

MR. CHAIRMAN: Could we then deal with 2(2). There is an amendment in the first line, Mr. Walding has already moved, after the word "this" insert the word "Act". That amendment, first line--pass; Section (a)--pass; Section (b) we're going to leave, Section (c) sub(i)--pass; Mr. Axworthy, and then Mr. Craik.

MR. AXWORTHY: Mr. Chairman, one of the questions I wanted to raise with this came up during the hearings when some of the representations pointed out that there are structures which have been subject to major renovations, not just minor repairs, but major renovations to the point where they almost totally change the character of the

(MR. AXWORTHY cont'd)
unit itself, where they're gutting the whole building and really almost, in effect, turning it into a new unit. I'm wondering if the provisions of this particular section would apply to housing, to make clear that it shouldn't apply just to new units but units which are subject to that kind of major renovation which in fact is transforming the character almost into a new unit. I wonder if the Minister would be able to take that under advisement.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Well, Mr. Chairman, this section exempting new rental accommodation, just constructed, is there to conform with the principles laid down by the Federal Government in its guidelines and is there for that purpose primarily, and not for the purpose of including within this exemption section, rental accommodation where major renovations have been made. In fact, where major renovations have been made, the cost of those renovations presumably will be passed through in the review process that is now applicable to both the initial period and every subsequent period. So that exempting that kind of accommodation, does not strike me as improving the bill, it is already covered in the cost pass through provisions.

MR. AXWORTHY: Well, Mr. Chairman, I could just again clarify that a little more specifically. The concern that I would have with the provision is we have a number of older units in the city, some of which are almost at a state where they, unless there is very major reconstruction, they will simply cease to be useful, and we've had examples in the last several months where when the City of Winnipeg tries to apply its building by-law code, owners will just simply refuse to, they'll just abandon the property rather than going in doing major renovations. It would seem to me that we should not try to provide a disincentive to someone taking over those older units. Now to take them over is not a matter of a couple of thousand dollars, it probably could bring them up into a new standard, maybe in fact at a cost of $15,000 per unit, $15,000 to $20,000. I think the experience that the Manitoba Housing Renewal Corporation itself had when it tried to repair units in Point Douglas was the average cost was around $20,000, if I'm not mistaken. But still $20,000 is, in some cases, cheaper than building a brand new unit, so all things compared, it might be worth the expenditure and that would be up to the owner. But it would seem to me that with that kind of major capital input of say, $15,000 or $20,000 to major reconstruction of older units, would that be allowed under the pass cost through provisions of the Review Act?

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: I don't see how that kind of cost pass through could be denied if it was a legitimate renovation that was being undertaken.

MR. AXWORTHY: Fine, as long as that's clear that's fine.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, on this section here, it's the question of the five-year period where new construction is not under the rent control facility and during the representations that were made to the committee, it was pointed out that the five-year period, or a period at least, was required for the building to get up to a sort of a normal operating position. So it would appear that probably the most important period is the first three-year period and the last two, out of the five-year period, are less critical. So I would suggest that rather than having it start on the 1st of January 1973, it's inconsistent to say that there is a five-year period required for the running of a building, and then not allow that five-year period to lap over the beginning of the rent control period. So we would suggest here, Mr. Chairman, that the five-year period be allowed to date back, maybe not the full five years prior to January 1, 1973, but for a period of, I would say, a minimum period of three years which would change the date in this clause to January 1, 1973 instead of January 1, 1976.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, the problem that Mr. Craik refers to is, I think, in the industry called the rent-up situation and it occurs, of course, when people move into new accommodation that is not completed, and they get rents at much below what the rent would be in that particular building when the building is complete and fully ready for total occupancy. That problem of rent-up I propose to deal with in the application process that we are putting in place for the initial period and, Mr. Chairman, if you'd allow me to go ahead to Page 5 in the amendments under 13.1(2)(a), there is provision made there for the rent to be increased in accordance with agreements reached

(MR. TURNBULL cont'd)

between the landlord and the tenant prior to March 1, '76. So that this section 13.1(2)(a) here really would deal with and accommodate the rent-up situation, and it actually is there specifically for that purpose. It's there, Mr. Craik, specifically to deal with the problems that you mentioned.

MR. CRAIK: I wonder if it's just the problem though, of a rent-up . . .

MR. TURNBULL: I'm sorry, I didn't catch that.

MR. CRAIK: Well, I guess it's referred to as the rent-up period, but if that were the case, if you're going to do that under the regulations of 13.1, why are you spelling out a five-year no control period at all. There's something inconsistent about what you're doing. You were saying if you're building January 1 on, or completing construction January 1 on, no control for five years, and it seems inconsistent to say well that situation prior to January 1 will be looked after by regulations; that situation after January 1 will be looked after by absolute freedom for a period of five years. I just don't understand the continuity, your thinking, in putting that kind of a black and white situation.

MR. TURNBULL: There are two reasons for the five-year exemption period for new construction. The first I've mentioned already, it conforms with the federal guidelines. I didn't bring the guideline paper with me but there are several principles there, one of which is that new construction should be exempt for five years. This provision conforms with that.

Secondly, it is expected that this exemption for five years for new construction will be somewhat of an inducement for people to get engaged in construction, and during that five-year period they should be able to work right through their total rent-up problems. That's the reason it is there, and that's why it is five years from January 1, 1976 on.

MR. CRAIK: Mr. Chairman, I don't want to see this legislation leaving everything to regulation. There's too much in regulation as it presently stands, and I would move that that section be changed to read January 1, 1973 instead of January 1, 1976.

MR. CHAIRMAN: A motion that subsection (c) (i), the date be changed from January 1, 1976 to January 1, 1973. Mr. Spivak.

MR. SPIVAK: My matter really refers to what Mr. Axworthy or the Honourable Member for Fort Rouge was mentioning. I appreciate the fact that you've acknowledged that there will be a cost pass through for the renovations that will take place to older premises brought up to more a modern standard, which in effect is almost like new construction. But I wonder if you can now at least enunciate the principle upon which that cost will be amortized, as far as the government is concerned, because I think that there has to be some principle which would accept the basis of how that cost is to be amortized. Has that been agreed? I don't think it's in the legislation.

MR. TURNBULL: No, it's not in the legislation and that's the kind of administrative matter, I was hoping to leave to the board rather than try to enunciate principles in the bill for amortization of that kind of accommodation as distinct from the amortization of the installation of new electrical appliances. And then I think that, you know, there are so many types of capital investment that would need to be amortized, that it's just not feasible to try to draft it into the bill.

MR. SPIVAK: But I think in the case that he was mentioning, you have something much more fundamental, you've got really the renovation. There's a difference between replacement . . .

MR. TURNBULL: Yes, I know, and it's the difference that, and we've only gone into two differences, that means to me that it would not be feasible to try to draft such principles into a bill because there are all these differences.

MR. SPIVAK: But at the same time when you say it's not feasible to draft the principles, you're, in effect, leaving it to the discretion of a board who, as I see it, are going to be just swamped in any case, and I think that has to be acknowledged now, who are going to have difficulty in any case dealing with many of the situations and who are going to have to arrive at certain decisions where the principle, at least, should have been determined by the government. The principle of 10 percent has been, in fact, determined by the government, not by the board. The 10 percent factor is a government legislative decision, and certainly in terms of amortization of renovations where, in effect,

(MR. SPIVAK cont'd)

the premises become a new premise. The principle of the amortization of the cost should at least be something that's agreed to by government, at least announced as a policy of government, because I think otherwise it becomes a very difficult thing. I think what the Member from Fort Rouge is suggesting is pretty important because obviously until the period of time arrives before decisions are made or there is a consistency of decisions, because I'm not sure that the board necessarily will make a decision, they . . .

MR. CRAIK: Sir, I think we're on item (c), or am I mistaken, and I had a motion on the floor with regards to . . .

MR. CHAIRMAN: That's right, there is a motion on the floor.

MR. CRAIK: . . .this, perhaps I should read it into the record. That subsection 2(2) of Bill 19 be amended by striking out clause (c) thereof, and substituting therefor the following clause:

(c) to tenancies of residential premises the construction of which was completed after January 1, 1973 for a period of five years commencing on the date of completion of the residential premises.

MR. CHAIRMAN: Would you pass that forward, please?

We have the motion now that subsection (c) of 2(2) be struck out and the following substituted: That subsection 2(2) of Bill 19 be amended by striking out clause (c) thereof, and substituting therefor the following clause:

(c) to tenancies of residential premises, the construction of which was completed after January 1, 1973 for a period of five years commencing on the date of completion of the residential premises.

Mr. Johnston, Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, it would seem and, you know, the Minister has basically through this bill said that it takes five years to get a stabilization into an apartment block, and if that's the case why five years from January 1, 1976? Now if a block was built two or three years ago, that that rule should still apply, that it is still going to take five years, so we should really be, as far as the rent control is concerned, as far as stabilization of buildings, you've really got to say that it's going to take the man that built a building two years ago five years, and he comes under the Rent Control Act because it starts January 1. So where is the difference between a man who builds in 1976 and a man who builds in 1974 or 1975?

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: The difference, Mr. Chairman, would lie in the market, I suppose. The fact is that the period to get through rent-up problems will presumably be shortened as the vacancy rates go down, and I don't think that throughout the bill, as the Member for Sturgeon Creek says, there is stipulation that rent-up problems will necessarily take five years. The five-year period, as I said, is there primarily to conform with federal legislation or federal guidelines rather, and these rent-up problems, you know, I just don't think are going to extend for too long a period of time as the market gets tighter and tighter for rental accommodation.

MR. F. JOHNSTON: . . .when I said all the way through the bill, but right here we have 1976, and you know, you mention the federal guidelines, and you mention that tenancy is in vacancies, but the fact still remains that if a building - what's the difference in construction of 1976 or 1974 or 1975? If you're saying a man that builds a new building now or hasn't been rented yet does not come under any regulation for five years, certainly a person who builds a building two years ago or three years ago should have the same benefit of a five-year span to get things organized. I really can't see why you say if a person builds now is any different than before. I'm trying to put it as simply as I can.

MR. CHAIRMAN: Further discussion? Call for the question on the motion.

MOTION presented and lost.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Mr. Chairman, now I think I can come back to the other matter that was being discussed and brought up by the Honourable Member for Fort Rouge. I say that because I think at least in discussing this one item then we can discuss in general what I think is a concern of the bill and it would be reflected in other . . .

MR. TURNBULL: Mr. Chairman, on a point of order, I'm not a stickler for points of order but I'm not clear what section the Member for River Heights is going to be addressing himself to.

MR. SPIVAK: 2(c)(i).

MR. TURNBULL: I thought we just passed this.

MR. CHAIRMAN: No, we just defeated an amendment.

MR. TURNBULL: Oh, I'm sorry. Okay.

MR. SPIVAK: On 2(c)(i) . . .

MR. TURNBULL: Now hold on then, are you going to speak about - I believe the Member for River Heights has been talking about amortization in a section providing for exemption of new construction.

MR. SPIVAK: But the problem at this point was the Honourable Member for Fort Rouge mentioned the fact that there will be new construction of older premises which, in effect, will really create a new structure, and that, in effect, it is not within the exemption and the Honourable Minister replied by suggesting that it will be dealt by the Review Board and there will be a cost pass through. And I suggested to him, how will that cost pass through be allowed, on what basis? Because I think the argument that was put forward is a correct one in terms of an exemption, and I then suggest to the Honourable Minister that the problem at this point is that there are certain matters which should be more definitive in the Act that have been left I think, to the discretion of the board, and the board's decisions will either be made by the announcement of their policy or as a result of the decisions of each individual case. And in many situations there will be a period of time where matters will be held in abeyance because of the lack of knowledge of what will be allowed, and that will have a direct effect on upgrading of premises, it will have a direct effect on shelter accommodation. It would seem to me that that's an inherent weakness with respect to the bill and it's reflected under this one particular section, and I don't know how it can be justified on the basis that the board will make the decision. Surely, at one point, the government will have to lay down much stricter guidelines in legislation as to what really will happen, otherwise it really becomes a fairly chaotic situation.

MR. TURNBULL: Mr. Speaker, it is, of course, true that the bill does allow latitude for the Review Board, and the reason that the bill allows that latitude is, of course, that I am expecting that the board members and the review officers will get additional practical experience from dealing with the various cases that come before them. And to attempt, as I said, to put amortization periods or rates of amortization into this bill does not strike me as being the way to enable the board to deal with the specific, peculiar cases that may come before the board. I can point out that as far as I can recall all the other bills that have been passed recently in every western province and in Ontario to control rents have not incorporated provisions or principles relating to rates of amortization. So that to try and put it in here, I think, would just not be sensible, would not be practical in my mind because it would tie the hands of the board and not enable them to have the sensibility to deal with individual hardship cases of various landlords.

MR. CHAIRMAN: Mr. Johnston.

MR. F. JOHNSTON: Well I didn't want to speak on that particular point, I wanted to say something again on Section (c), Mr. Chairman.

MR. CHAIRMAN: We're on (c)(i).

MR. F. JOHNSTON: All right. Well, Mr. Chairman, we had the motion going back to '73. I would bring up a point now regarding our particular legislation which has a rollback of rents to July. Why would the Minister not consider, you know, if it's in fairness to be preserved for the exemption, the exemption should be carried back to July 1, 1975. Now if you're going to have your rents rolled back to July 1975, why not have the construction back to July 1975? Now I haven't got any form of a motion there but I think that in all fairness the Minister should consider that and I'd like to have his opinion on that.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, if we're talking about six months, I don't know what difference that might make in terms of the number of units that would be

(MR. TURNBULL cont'd)
exempt under the proposals of the Member for Sturgeon Creek. If we'd gone back to January 1973 about 10,000 units would have been exempt from the control. If we go back to July 1975 obviously there would still be some units exempt from the controls and I would prefer not to do that. The provision here, this Section (c) is designed to put people who are willing to invest money in the position of not having themselves subject or their premises subject to control.

MR. F. JOHNSTON: Mr. Chairman, you have put through basically retroactive legislation, if a man finished his building in September or October of 1975 and started to rent it, then he does not come under the new construction set-up, but here you have a person who has got a building, a brand new building, and you are not allowing him the same privileges. So if you are going to have a rollback of rents to July 1975, why not make this section read July 1975? Now you're giving me an argument but I still think there's an unfairness to that particular situation.

MR. TURNBULL: Mr. Chairman, you know this argument put forward by the Member for Sturgeon Creek to exempt certain rental accommodation that would not now be exempt the way the bill is drawn, really gets back to the question of how far do you roll back. You go back to July 1 as proposed here or October 1 or October 14 or whatever date, and you know the rollback period is one that is there to try to deal with situations that have developed in the marketplace. This kind of legislation has been talked about for some time, it was even mooted about a year ago, and it's quite conceivable that in some of these new units rents have risen substantially, and it's difficult to know without a detailed examination of the market whether those rents went up justifiably or whether they went up unjustifiably. So that changing a date to July 1 of 1975 just poses that same problem of rent increasing in a justified way or not.

MR. CRAIK: Mr. Chairman, could I ask the Minister why . . .

MR. CHAIRMAN: Order please. Mr. Axworthy was next.

MR. AXWORTHY: Mr. Chairman, there's two points I wanted to raise with this. One was the point raised by the Minister about the number of units. I think that under the normal construction season when buildings are onstream, the likelihood of them coming onstream would be over that summer, early fall period, not on January 1. So that we are probably talking about if we built about 2,500 units last year in the rental market, we're probably maybe talking about 1,500 units all of which were constructed at a period when the inflationary costs were at their maximum, and the interest rates were 12 percent, particularly construction costs were extremely inflated at that period because of the uncertainty. I think construction costs are beginning to taper off now as a result of the anti-inflation measures. But certainly during that period construction materials - steel, cement and so on - were all very very high so that prices would be geared towards those costs and the financing of those units would be determined accordingly. So I'm just suggesting that the way of recapturing those costs and someone sitting down figuring whether he's going to build or not would have been done on that basis and all of a sudden you're rolling back a rent period and it would make some sense to give the July 1 date.

Now the only question I have on my mind is again this problem that we've run into under the discussion we had on the renovation, and that is the necessity to make sure what the guidelines are, and I think it's something that we've argued for before that we don't think you can leave the application of guidelines up to regulations, I think that the bill would be vastly improved if there were very specific guidelines set forward in the bill as to determine the kind of decisions being made by the rent review officers. So if the Minister is saying that the rent-up could be captured through the appeal procedure for units such as that, that should be spelled out and not left to discretion or left really to the somewhat arbitrariness of the rent review officer in these cases. I think that the responsibility of this committee should be to ensure that the application of the bill reflects our concerns and that that would probably best be done if there were specific points put into the bill determining what the basic guidelines should be in making the application or appeal procedure. I would suggest that that should be one of them that should be taken note of that the particular rent-up costs, effective on new units coming onstream in the past year, should be afforded that particular pass through.

MR. TURNBULL: Well, in accordance with the sections as they are now drawn, I see what the member is referring to, and that would be the intent, yes.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, the main thing that I think that we have to try and do in the bill is to design some consistency, and I think that the bill itself would be more consistent if the July date is going to be used, which presumably it is, then the July date should apply to this new construction as well. We're ending up with different dates, October dates, July dates, January dates, and there is, in fact, if the exemption of new construction in the five-year period is not allowed to lap over which then there really is no reason to have a five-year exemption for the purposes of the protection of a tenant. One has to conclude that the only reason for the five-year exemption is such as not to discourage new construction. Now that surely indicates some serious weaknesses in the bill if that's the case. I think that to be consistent in the bill rather than taking a bill and doing a patchwork job on it, to reach whatever ends sort of meet the objectives of the moment, is not the way legislation should be handled.

Mr. Chairman, just to bring it to a head, I move that this date be set at July 1, 1975, and that would change that other previous motion just by changing the numbers.

MR. CHAIRMAN: In other words your motion then, Mr. Craik, is that (c) (i) be amended by striking out the words after "on January 1, 1976" and substituting therefor July 1, 1975. Is that correct?

MR. CRAIK: Yes.

MR. CHAIRMAN: Is there any discussion on the motion? Mr. Spivak.

MR. SPIVAK: I wonder if it's possible to produce before the decision is made on this the actual . . .

MR. TURNBULL: The actual number of units?

MR. SPIVAK: No, not the actual number of units but the actual agreement signed with the Federal Government because, in effect, what you're saying is that this provision comes in conformity with the Federal Government's provision, and I think, you know, basically if there is any flexibility it should be known. If there's not, then I think that's a very good part of it.

MR. TURNBULL: The reference that I made to the exemption for five years of new construction that provision lies in the guidelines, like in the public relations piece that was put out shortly after the Prime Minister made his speech. You know, it's a small matter, it's a matter of going back six months now and lopping off six months at the end of the five-year period. There's really no net gain here from changing the date.

MR. CHAIRMAN: Mr. Patrick.

MR. PATRICK: Mr. Chairman, is there a motion now to change this date from . . .

MR. CHAIRMAN: There is a motion and the discussion should be relative to the motion.

MR. PATRICK: Yes, Mr. Chairman, I am concerned about changing that to July 1st, because that would have to relate to Page 3 or to Page 5 then, rent increases from where we have July, that would be consistent, but I'm still of the opinion that should be October 1st, the same as the AIB Board. I think from all the presentations that we heard, and there were many of them, they all indicated if we're going to have controls it should be October 1st. And I see if there is going to be any consistency and if there is any relation from 2(2)(c) to 13(1) then I feel that it should be October 1st. So I have to vote against the motion.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, I was going to say that if the purpose in setting the July date was on the assumption it is going to be July, I also would prefer to see the starting date October 1st, which I think then is consistent with the AIB date. If, when we get to that point, we change July to October 1, then this would have to be October 1 to be consistent with it. So it's an attempt to make them consistent, but you have to deal with it at this point, since we're on that item in the bill.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, to facilitate matters, I mean there is a legitimate problem, to facilitate matters, why not hold that item until we come to the next

(MR. GREEN cont'd)
one, and when the vote obviously is taken on the next one, it could then follow that we could vote on this section.

MR. CRAIK: Providing there is agreement to come back to it.

MR. TURNBULL: They don't really depend, and they are really quite separate items. The argument for consistency July 1, January 1 is not a big one. As I said, you don't add any time for the exemption period for the people who have got construction up. I mean it's a very small point, and the consistency embodied is, you know, is not something that I think is of great significance. But I am not going to hold up the committee by insisting on January 1 for this exemption period. So let us take the House Leader's suggestion then and move on until we get to 13(1), I'm not saying a vote on it, move to 13(1) and have our debate there and then we can change 2(2)(c).

MR. CRAIK: In the event, in the unlikely event that the October date was not accepted on the later resolution or amendment then, Mr. Chairman, as long as there's agreement that if it does not pass that we still do come back to that particular item.

MR. CHAIRMAN: That's right. The motion will stand. Is that agreed? (d)--pass; (e)--pass; (f)--pass; (g)--pass; (h)--pass. We'll leave the remainder of 2(2) until we make a further decision.

2(3) Special Exemptions. Mr. Walding.

MR. WALDING: Mr. Chairman, I move that subsection 2(3) of Bill 19 be struck out.

MR. CHAIRMAN: Moved that subsection 2(3) be struck out. Any discussion on the motion? Hearing none, agreed. Mr. Tallin.

MR. TALLIN: It's in line with an amendment to Section 33 which would mean that if the Lieutenant-Governor-in-Council were going to make regulations exempting premises, they would exempt them from all the Act, not just part of the Act, and this subsection 2(3) only applied where premises were exempt from part of the Act, so it's not necessary.

MR. CHAIRMAN: Any discussion on the motion?

MOTION presented and carried.

MR. CHAIRMAN: 3(1)--pass; 3(2)--pass; 3(3)--pass; Section 3--pass; 4(1). Mr. Walding.

MR. WALDING: Mr. Chairman, I move that subsection 4(1) of Bill 19 be amended by striking out the figure "2" in the first line thereof and substituting therefor the figure "3".

MR. CHAIRMAN: Motion is moved. Agreed.

MR. GREEN: On what clause are we voting?

MR. CHAIRMAN: We're voting on 4(1). The amendment is that subsection 4(1) of Bill 19 be amended by striking out the figure "2" in the first line thereof and substituting therefor the figure "3".

MR. GREEN: I got the impression that that was becoming 4(3). Maybe I'm incorrect here. It says "2 members of the board shall constitute a quorum." Are we now saying that 3 persons shall constitute a quorum.

MR. WALDING: Right.

MR. GREEN: Okay. So that means that they have to be, it's not less than 3 persons?

MR. CHAIRMAN: 4(1) as amended--pass; 4(2)--pass; 4(3). Mr. Walding.

MR. WALDING: Mr. Chairman, I move that subsection 4(3) of Bill 19 be amended by striking out the word "to" in the 3rd line thereof.

MR. CHAIRMAN: The motion as amended--pass. Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, I just really wanted to raise a question with the Minister and it goes back to a discussion we had in the question period, I wonder if he could, at this time, explain what the intention of the government is in terms of the actual locations of the board itself and how they will in fact be in operating. Are they going to become a travelling road show, are they going to have assigned officers in different regions of the province, what will be the means by which people would be able to know where they're at, I mean they could become kind of like a floating crap game sort of around the city, no one really knowing where they're at, or are they going to be sort of saying, there's going to be this many officers in the Winnipeg region, the

(MR. AXWORTHY cont'd)
Brandon region, the Northern region and so on, so the people know where they're at and I'd just like to have some explanation before we agree to where these kind of movable sittings are, like a movable feast almost, I guess.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, I don't know if we should be talking about the administration of the Act in Law Amendments Committee, and in any case, I've answered that question in the House already.

MR. CHAIRMAN: 4(3) as amended--pass.

MR. JORGENSON: Mr. Chairman, was there not a question asked regarding the location and the kind of hearings that this board was going to be having. I thought the question was posed by Mr. Axworthy.

MR. TURNBULL: My only point, Mr. Chairman, is whether this question is in order, that's . . .

MR. JORGENSON: Well I tell you that the question is in order. Surely a question relating to the composition of a board and where it's going to sit is a question that should be answered.

MR. TURNBULL: Well, Mr. Chairman, do you consider the question to be in order or not?

MR. JORGENSON: Well I would like the Minister to explain to me, other than just a flat statement that the question is out of order, just why it's out of order.

MR. AXWORTHY: Mr. Chairman, on a point of order, the provision of the bill says they may hold two or more separate sittings. I wonder where they're going to be, I mean, how is it going to be arranged; are there going to be separate sittings in the same building; are they going to be in different parts of the province? I mean, it does relate directly to the provisions of this bill.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I think what the members are asking, given the fact that they are being asked to vote on a section in the bill, determining their feeling of the section, they would like to have some knowledge, if the Minister can say, as to how it's going to operate, or if he can't say, then they are being asked to vote without that.

MR. TURNBULL: Well, Mr. Chairman, I did answer this question in the House and I did not stipulate the address at which the Review Board is now located which is 234 Portage Avenue, and they will soon be moving on to a location on Broadway. The possibility of the board members holding hearings as individual members is contained in the bill, that's clear from Section 5(1). The fact that the board members will be travelling around the province in some cases, I would think, would follow from the reading of Section 5(1). How many officers there will be in the Province of Manitoba, will depend on the work load, as I told the member in the legislature, when he asked the question. Now I think that deals with all the questions that he's now posed.

MR. CHAIRMAN: Mr. Axworthy:

MR. AXWORTHY: Mr. Chairman, not quite, because I think the question of this whole deal, in large part, depends upon the administration. I mean if it's not administered properly then you're just going to have a real mess on your hands. So the thing we want to know is, does the Minister foresee when he talks about separate sittings that there will in fact be some form of regional decentralization of the board, so that there would be very specific periods where the landlords and tenants in Thompson, The Pas, Churchill know that the board would be sitting in that area, that they would be able to have their appeals heard, or when in fact they have to be travelling to Winnipeg in order to have them heard, that is the kind of thing I think we need to have clarified. To what degree is the bill going to be administered on a regional basis or centralized in Winnipeg itself, and what kind of hearings will be held? Will there be formally stated periods, will they be done sort of at the discretion of the board when they decide they have enough appeals? I mean that's the kind of explanation, frankly that people want to hear at this point, so they know what to expect and what to anticipate.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Well, Mr. Chairman, the number of sittings, the size of the offices, the number of offices, the frequency of board hearings, will all depend on the work load, and if a substantial number of applicants come forward, then naturally there will be a need for the board members and the review officers to go to the areas where there are a great number of applicants. But to say now that there will be an office opened in a particular location, in a particular town or city in the Province of Manitoba, when we don't now know how many applications there will be coming from that particular location, I just don't think would be responsible, and I would like to wait. I think it just makes sense, sensible, practical administration, wait until we see what the work load is before we start talking about locating offices and putting staff and board members into particular regions.

MR. CHAIRMAN: Mr. McKenzie.

MR. McKENZIE: Well, Mr. Chairman, I think we should have a more definite answer from the Minister regarding this. The tenants are going to be involved as well and if tenants are going to have to travel from - what's it the Member from Fort Rouge says - Flin Flon or Thompson, I think if you'd give us the assurance today that the board will move into those areas . . .

MR. TURNBULL: Mr. Chairman, I thought I had said that the fact that the board members and the review officers would be travelling through the province to those locations, where there were applications, I thought I had said that that travel followed from some provisions in the bill. And it's certainly my intention that the board members and the review officers go to the communities where the applications are going to be held, within reason, of course. You know, there's some tenants and some landlords who may have to travel some distance, but there's no intention here to require landlords and tenants from Thompson to come to Winnipeg for a hearing. That is not the intention. It's the other way around, the civil servants, the board members, they will be the ones that are moving through the province to accommodate the landlords and the tenants.

MR. CHAIRMAN: 4(3) as amended--pass; 4(4)--pass. 5(1). Mr. Walding.

MR. WALDING: Mr. Chairman, I move that subsection 5(1) of the Act be amended by adding thereto, immediately after the word "may" in the 1st line thereof, the words "in writing".

MR. CHAIRMAN: 5(1) as amended--pass; 5(2). Mr. Walding.

MR. WALDING: I move that subsection 5(2) of Bill 19 be struck out and the following subsection substituted therefor.

Report of member. 5(2). Where a member is authorized under subsection (1) to hold a hearing, he shall report to the board as to the evidence he has taken, the information he has acquired and the facts he has found, and the board may, after due consideration of the report and without any formal, public or other hearing, adopt or reject the report in whole or in part and may proceed with further hearings in respect of the matter; and the member is not disqualified from sitting on the board and participating in any consideration of the report, in any vote respecting the adoption or the rejection of the report, in any further hearings in respect of the matter or in making a decision on the matter or proceeding in respect of which the report was made.

MR. CHAIRMAN: 5(2). Mr. Tallin.

MR. TALLIN: There is a minor change here in the drafting. You will notice the words, "or reject the report" had been put in, so that they can either adopt or reject the report in whole or in part.

MR. TURNBULL: This section, Mr. Craik, merely enables the board members to go to the various communities where there may be a necessity of holding a hearing and have that hearing held. It really is a section that I was referring to, one of the sections I was referring to at the last round of questions and answers. It does spell out that the board member can undertake these hearings by himself, and that by doing so he is not, in effect, disqualified from further participation in board decisions. And in addition, of course, as Mr. Tallin points out, it means that the board as a totality does not necessarily have to accept the report of the individual board member who has held a hearing.

MR. CHAIRMAN: Any further discussion on the motion? Pass. Section 6--pass; Section 7, Mr. Walding.

MR. WALDING: I move that Section 7, Bill 19 be struck out and the following section substituted therefor: Rules of evidence not binding not binding on board or rent review officers. 7. Neither the board nor a rent review officer is bound by the rules of evidence.

MR. CHAIRMAN: Section 7 as amended--pass; Section 8. Mr. Walding.

MR. WALDING: I move that Section 8 of Bill 19 be struck out and the following section substituted therefor: Rules of procedure. 8. The board may make rules governing its own procedure and rules governing the procedure of rent review officers.

MR. CHAIRMAN: Section 8, as amended--pass. Section 9(a)--pass. 9(b)--pass; Section 9--pass; Section 10. Mr. Walding.

MR. WALDING: I move that Section 10 of Bill 19 be amended by numbering the present section, as amended, as subsection (1) and by adding thereto, at the end thereof, the following subsection:

Members and rent review officers not disqualified for certain reasons. 10(2) A member of the board is not disqualified from acting as a member of the board, and a rent review officer is not disqualified from acting as a rent review officer solely

(a) by reason of being a tenant or a spouse of a tenant; or

(b) by reason of being a landlord or a spouse of a landlord or an officer or director of a corporation that is a landlord; or

(c) by reason of being an agent of a tenant or of a landlord; or

(d) by reason of being a property manager or an officer or director of a corporation that is a property manager; or

(e) by reason of being an officer or member of an association of tenants, landlords or property managers.

MR. CHAIRMAN: Before we proceed with the substance, the present section is going to be renumbered (1) is there any debate on that section? 10(1), that is contained in the original bill. 10(1)--pass; 10(2). Mr. Spivak.

MR. SPIVAK: I think it's intended but I think it may have to be expressed, obviously neither a landlord or a tenant should be in a position to be able to deal with a matter that he himself is personally involved with before the board. But that's not exempt . . .

MR. TALLIN: Solely by reason of it, but if he's sitting on his own application that's another reason.

MR. SPIVAK: No, but as an example, suppose a tenant makes an application in which the landlord is, in fact, a member of the rent review board?

MR. TALLIN: He can't sit because that's another reason, solely by reason of him being a tenant or a landlord doesn't exclude him, that's one reason. Another reason is of hearing your own case which is a separate reason.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: . . .perhaps Mr. Spivak is concerned as to whether it is quite clear in the common law because it's not in your statutes that he would be excluded, I rather think it is but certainly that is the intention. If the common law would give another reason for exclusion and it's quite clear that he would be excluded at common law, then perhaps the change is not necessary. I think that that's what he wishes to be satisfied with.

MR. SPIVAK: Yes, but I think the matter, of course, is that we're not asking applicants to go to court to enforce their rights, if it can be avoided by simply spelling it out. Now you've obviously allowed a landlord or a tenant to be a member of the board and that's no question, they should have that right. The only thing that has to be clear is that they should not be able to sit on a matter that they're involved in, and I'm not sure that it shouldn't be spelled out in a specific way.

MR. TALLIN: It could be spelled out, there's no doubt about it, and it would remove any doubt about it, but I don't think there's any doubt in it in any case. I think that the courts deal with those kind of matters in two different ways. One is do you have generally an interest in the kind of an application that's being brought, that is are you a tenant and a tenant is bringing an application - not the same tenant. Are you a landlord and a landlord is before the board. That's one reason for excluding people from sitting or for the courts to say, you didn't have jurisdiction to sit. Then another

(MR. TALLIN cont'd)
reason is sitting and making a decision in a case in which you have a specific interest, and I think they're quite different.

MR. SPIVAK: . . .either the landlord or the tenant would have the right to go to court to enforce their rights, and in effect to, if necessary on the part of an injunction, to stop a hearing from taking place. But rather than go through that is it not just as feasible to just simply indicate that no tenant or landlord can sit on a matter that they have a direct interest in.

MR. TURNBULL: Well, I think it would . . .if the law is there--(Interjection)-- And therefore the suggestion made by Mr. Spivak, I don't think need be incorporated in here, that's my understanding of this exchange.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, Mr. Spivak will remember and we know that legislative counsels take the position that they do not wish to restate the law in the statutes, and they don't like to do that, and I kind of sympathize with them. So if it's quite clear nobody will have to go to court because they will know . . .

MR. CHAIRMAN: 10(2)(a)--pass; (b)--pass; (c)--pass; (d)--pass; (e)--pass; 10(2)--pass. Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, while we're dealing under this section with some of the operating responsibilities of the board and the rent review officers, I wonder if I might move an amendment to Section 2. The number is section 10(3) reading that the board shall publish no less than once each six months a report showing the results of its operation and specifically stating (a) the number of applications made to it and to rent review officers by landlords; (b) the results of such applications; (c) the number of applications made to it, to rent review officers by tenants, and (d) the results of such applications.

If I may speak to that, Mr. Chairman, the point . . .

MR. CHAIRMAN: Do you have a copy for the chair? Proceed.

MR. AXWORTHY: Mr. Chairman, the objective of that particular amendment is to ensure that there would be full public disclosure of the results of the Rent Review Board, particularly because it has such an important impact upon the general rental market and upon the housing market itself, and the construction market. And I think that it's really very important that the information that is acquired about the decisions made by the Rent Review Board in relation to costs, of appeals that are granted to the additional cost factors, a bill above the 10 percent, would have a very strong bearing particularly on members of this House, when it begins looking at the application of the Rent Stabilization Act itself and its purposes. So, that I think the requirement to have at least a publication of a report - and I don't mean it necessarily has to be one of those fancy package government reports, you know, with glossy covers and stuff, it could just be a simple mimeographed type report that we used to get - but people would be able to know exactly what has taken place in the Rent Review Board and therefore be able to gauge and measure the changes in the housing market, the costs that are being affected and therefore be able to provide some instruction and intelligence about the way in which the Act is proceeding and working.

MR. TURNBULL: Well, Mr. Chairman, there's no prohibition now to the board making such reports to the Minister. --(Interjection)-- There's no requirement but there's no prohibition.

MR. AXWORTHY: Mr. Chairman, there's always an interesting line between no prohibition and the requirement to do so because when there's no prohibition, doesn't mean they have to either. And I think that what we're trying to state is that it's very important again for the administration and operation of this whole rent control program that there be proper disclosure both to tenants and to landlords and to legislators for that matter, to know what in fact is taking place and therefore to be able to gauge the market effectively and to have that kind of information. And so it's not something . . . I assume that it's the kind of computations that would be required and be done anyway. It's just to make sure that these are public computations and a report would be released a at least every six months so that people would know what's going on.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, my objection to this is not the publication of

(MR. GREEN cont'd) . . . . . information and I don't think that anybody is disagreeing with that, my objection is the placing of the administration of a statute into the statutes as to what perhaps then the Minister has to do on certain things happening and various other things. I think that this is a legislative enactment and that as much administration as is possible should be left out of it. I think that the information should be disclosed, I think that it will be disclosed, and I do not think that the requirement in a statute that it be disclosed assists an administration. What you then do is take the possibility of the administration being taken out by somebody else suggesting as to whether it's been properly administered or not, and I think that the sympathy for publication is there, but not for specifying it in the statutes.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: . . . I see in this is that I'm not sure that very much would be accomplished by this; to the extent that you have a number of applications, you know, figures; to the extent that the results were that they either were for the tenant or for the landlord. They're not going to deal with specific judgments on each case. And what I'm saying is that I don't know whether that information will be of the kind of value that the honourable member suggests. The difficulty here, I guess, there's no real requirement here for a report to be presented to the Legislature, and there's no real requirement for the Rent Review Board Chairman to come before a legislative committee. And if in fact there is to be some benefit from the experience of this control, if we are going to be living in a period of time of greater controls or a desire for less control, the experience that they have I think, would be of immense value. And I would see, not this particular amendment because I'm not sure that there's real value, but I think the intent is correct. I think the intent of it being able to obtain accurate information of the way in which the board is operated, the experience it's had, the decisions that have been made, the trend that appears to be occurring as the decisions are made and as applications come forward, could be of immense value, and there could be consideration, and I'm not proposing at this point by way of amendment. I'm saying to the Minister that in effect both a report be tabled in the Legislature so that in effect, there is a full, detailed report, and that there be an opportunity for review by a committee, a committee of the Legislature with the members of the board, to understand its operation. And from that the publication may very well provide the kind of information that the member has suggested. I'm not sure that this does it, I know what the intent is, I'm not sure that this will really accomplish very much.

MR. CHAIRMAN: We have an amendment: 10(3) The board shall publish no less than once each six months a report showing the results of its operation, and specifically stating (a) the number of applications made to it and to rent review officers by landlords; (b) the results of such applications; (c) the number of applications made to it and to rent review officers by tenants; (d) the results of such applications. No further discussion on the motion? I call Mr. Patrick.

MR. PATRICK: Mr. Chairman, can the Minister indicate will there be no report at all as a result of the whole Rental, you know, Stabilization Act? Will we have any information in the Legislature come next Session?

MR. TURNBULL: Mr. Chairman, it has been my practice to publish reports, and I certainly have every intention of doing that.

MR. SPIVAK: But there is no requirement?

MR. TURNBULL: There's no requirement but as I was pointing out earlier there is no prohibition on my doing that and where there is no prohibition in my doing what I want to do, I will do it, and I would certainly have a report tabled in the House.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Mr. Chairman, the Minister is a very agreeable fellow, and you know, we're in this position, we can accept that what he'll do is what he intends to do, but there could be a new Minister who may not be as agreeable, and that new Minister may not want to furnish any information. And the legislation would simply allow him not to do anything and I'm not sure that you know we should legislate on that basis, as agreeable as the Minister may be, at this particular time.

MR. CHAIRMAN: Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, maybe I'd raised this question with the Minister because he would have a better knowledge of it than I would, but it's my understanding that under the anti-inflation board bills that were brought into the Federal House of Commons, setting up that particular board, there were specific requirements, that the board report both in the House and make some of its findings public. And I'm not sure that it was a hundred percent what I would have liked, and I noticed in fact that even in the speech by the First Minister, in his Budget speech and previous speeches, he was complaining that in fact some of the decisions made by the AIB Board were not being fully disclosed. And it would seem to me that following upon that principle that was enunciated by the First Minister that we should be very careful that this particular board which in fact is a control mechanism, be required to disclose its activities and its findings. And, again, I think there is a very practical reason and that is that without that information there could be a negative effect on the housing market itself if that information isn't available and those kinds of costs. So I think there's both a legislative and procedural requirement as well as a practical one.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I don't think the argument is between whether there will be disclosure or not disclosure. I think that by its nature, unless I am making a terrible blunder, that the hearings of this board are public. Is there anything in the Act that says that they are in camera? --(Interjection)-- Well, Mr. Chairman, if the hearings are not in camera, they will be hearings of the board similar to the Labour Relations Board, similar to any other board. And I gather that there's nothing stating that the hearings will be in camera, that they will be not open, anybody who thought that there was going to be a problem could record exactly the information that the honourable member is referring to. --(Interjection)-- No, I gather that there is nothing in the Act that says that the hearings are in camera and I don't expect that they would be held in camera, and I do not think that they were held in camera when they had the hearings under the rental control boards during the war - at least, I don't think so. But in any event, Mr. Chairman, the fact is that if the hearings are not in camera, the decisions will be made known. And I am not arguing that then somebody should compile what the decisions are and he will have the information that the honourable member has, because that would be silly. I would think that as a matter of course we have nothing that says that the Welfare Appeal Board decisions will be recorded, but the Welfare Appeal Board without that legislative compulsion has published a report every year. The other boards have published reports as to what has occurred, how many cases were heard, what has been the result of these cases. --(Interjection)-- All the Labour Board decisions are published, every Labour Board decision is made public, every single decision that the Labour Board makes is issued and is made public - and is heard in public.

MR. AXWORTHY: Well have you read the Welfare Appeal Board lately in terms of the information they give? It's zero.

MR. GREEN: Mr. Chairman, when I talked about the Welfare Appeal Board, I say that they give the information as to the number of cases they heard, the number that have been dismissed, the number that have been allowed, all of those things are in the Welfare Appeal Board report. I would think that the Welfare Appeal Board should not talk about the individual cases, and I think that the honourable member would agree. But the information that they do publish, the number of appeals, how many have been heard, how many have been allowed, how many have been dismissed are published and they have done that without some statutory requirement. The Minister is saying that the hearings are public, I don't know, that was my understanding. But in any event I think that the member is referring to what should be a good practice, and I am not disagreeing with him, but I do not think it has to be put into a legislative enactment because then it becomes a legality as to whether it has been done or not. And I do not think that that is the best form of administration.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, the biggest concern in looking at this bill is the bureaucracy that's going to be created to run this thing. And if you look at what's happened in all the other provinces where rent control has been brought in, for a period of time there's just such a terrible mess sorting out the lines of communication and the

(MR. CRAIK cont'd) . . . . . bureaucratic requirements of administering the bill that it's very difficult to even take too seriously the requirement at this stage of the game of having that same group in this state of mass confusion they're going to be in for at least a year, can we be worried about reporting to - I would rather see them concentrating on what they're doing. --(Interjection)-- Well, no, I would say to Mr. Axworthy, I agree with the intent of his legislation, I just have difficulty taking it, at this point, as being a critical matter to be put in the bill. I would think that if it appears a year from now that this is necessary, and that the thing is operating at a state where they can put out a decent report, then we would legitimately be in a position to ask for it. Really, I think it's such a low order of priority at this stage of the game, that I think that if it was going to be put in, you should at least give them a year to get under way before you required any report from them, and hopefully after the end of the year they're dissolved.

MOTION presented and lost.

MR. CHAIRMAN: Section 11--pass. Mr. Walding.

MR. WALDING: I move that Section 11 of Bill 19 be amended by striking out the word "purposes" in the 1st line thereof and substituting therefor the word "premises".

MR. CHAIRMAN: Section 11, as the proposed amendment--pass. 12--pass. Mr. F. Johnston.

MR. F. JOHNSTON: Mr. Chairman, Section 12, I've had a note given to me on this section and I would like to read it. It's basically an argument on the section and I would like to read it because it can possibly be a little confusing. This paragraph prohibits, notwithstanding any tenancy agreement which may have been entered into, an increase in rent payable for the residential premises within twelve months from the date upon which the preceding increase in the rent may have been implemented when read in conjunction with Section 13(1) which limits increases during the period from July 1st, 1975 to September 30, 1975, to ten percent over that amount payable the 1st of July 1975. Then the effect can be because of the requirements of the Landlord and Tenant Act that the tenancy which commenced the 1st day of July, August or September 1975, upon renewal must be at the same rent, which prevailed on the 1st of July, the 1st of August or the 1st of September, 1975. In these circumstances, then the effect of Section 12 combined with Section 13(1) and having regard to provisions of the Landlord and Tenant Act, would be practically to extend the control period under the ten percent ceiling for two years. This discriminates very unfairly against any landlord whose July, August or September 1975 rental increases were within the prescribed limits, and compels him to make application for relief from the provisions of Section 13(1). Mr. Chairman, to the Minister, I know that's a very technical statement, but if a man has raised his rent by the Landlord and Tenant Act, the notice that must be given, and he has raised his rent to, say, go up in August, and it is within the ten percent that you lay down in the bill, that landlord, it is not possible for him to give notice as he has the ninety days notice, and raise his rent again. Now let's say that he's within the guidelines. You're putting an unfair, it would seem an unfair thing on this landlord because he has lived within the guidelines. He's done everything that we would say is right I guess, yet now he can't give notification of an increase in rent, so he's got to live with this for a long time, 24 months.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, the Member for Sturgeon Creek summarizes the situation. The landlord in the position of having leases come up for renewal in the three-month period alluded to, July, August and September, really has two courses of action open to him. The first is not all that palatable, I suppose, to a landlord. And the first recourse would be to renew his lease, which he must do of course, and raise the rent, if he had earlier raised it under ten percent, to raise the rent to the maximum of ten percent. That's one course of action. In other words, if he'd raised his rent, say, five months (?) August 1 of '75, he could then go another five percent, August 1 of '76. That would bring him to the maximum allowable under the Act, of ten percent. Then he would not be able to of course, to raise the rent again for twelve months, as this section stipulates. The second recourse of action that he has open to him, if he raised his rent in August 1 of '75, and he must face the necessity of renewing his lease for August 1 of '76, is to make an application, as I think the Member for Sturgeon Creek indicated. He

(MR. TURNBULL cont'd) . . . . . can make an application for whatever increase he feels his costs justify, and when that application is approved, he's in the position of raising the rent for his tenant. So he has two courses of action. The latter one obviously is the one that would be most acceptable and the most palatable to a landlord.

MR. CHAIRMAN: Mr. Johnston.

MR. F. JOHNSTON: Mr. Chairman, just trying to push aside all the little technicalities that seem to be here, I see it becoming a situation where a lot of things are going to get done because people just don't think they're doing anything wrong. Could we not have something where there was a landlord who had only raised his rent ten percent, which is within the guidelines, which is in the federal guidelines, and that supposing this year, like, if it's August 1st, it would be July, June - on May 1st, if he put through an increase of ten percent or less, a notice of ten percent or less, why couldn't he do it? We are obviously trying to stop inflation by not going over ten percent, and certainly if we have some landlords that don't think they need ten percent, and that's what they're willing to live with, why are we putting him in a - I think you must admit, Mr. Minister it's a fairly tough position you're putting him in, and yet he's living within what you want him to do.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Well, I thought that the first case that I cited would have dealt with the landlord that the Member for Sturgeon Creek mentioned. I didn't quite follow the significance of the May 1st increase. But if he's acting within the ten percent in the fifteen-month period, then he's free to do that at any time during this fifteen-month period. So I didn't quite follow what the May 1st date meant. Did you mean, say, August 1 of '75 he went to ten percent, then it comes May of this year, he wants to raise the rent again?

MR. F. JOHNSTON: No. I'm sorry, Mr. Chairman, I said that he had given notice on May 1st, the 90 days' notice to go up August 1st. Now he hasn't gone up ten percent and he comes around to May 1st again, this does not allow him to put an increase in rent through at all. And he may not want to put through ten percent, he may want to put through eight. And yet he's been living within the guidelines. Now, that's the way I read it. And it holds him close to a two-year period. Whereas, if he's operating in such a way that we think is helping curb inflation, why are we not letting him just go ahead this coming May 1st and if he's going to put through an increase of, well, five or eight percent, it's entirely up to him and he's living within the rules.

MR. TURNBULL: Well, the point here is that we're controlling increases to ten percent for a fifteen-month period. Now, if I understand the Member for Sturgeon Creek, he is saying - the landlord he is talking about may want to go fifteen, eighteen percent in the fifteen-month period. And my response has to be that the legislation provides for holding the rate of increase to ten percent for that fifteen-month period. That's the intent of the legislation, to allow a landlord to go ten percent effective August 1, '75 and another five or eight percent effective August 1, of '76 just puts him way above the ten percent guidelines for this fifteen-month period. His recourse of course is to make an application for an amount of increase effective August 1, of '76 above the ten percent figure. --(Interjection)-- I'm sorry. Yes, what he's got in place, whatever it happens to be.

MR. CHAIRMAN: Mr. Craik.

MR. CRAIK: Mr. Chairman, let me ask the Minister or Legislative Council, if a conflict arises like this where the legislation appears to say something that is in contradiction basically to the powers we're giving to the Rent Review Officer, is there any likelihood that you could see at this point that this legislation is going to have loopholes in it, where the Rent Review Officer or the Board in fact says we can't do that because the Act doesn't allow it, but still basically it's out of context with the rulings they're making for other cases. This is the case that's being pointed up here. Maybe this problem that Mr. Johnston has pointed out here, you can have a look at it and see if there is a particular loophole there that is going to cause a problem and whether the legislation as it is is going to be a hindrance to the Board in attempting to deal fairly with that person in the same manner as the board attempts to deal with other people under a broader type of legislation that we're passing.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: I don't understand. You started off by saying there was a conflict. I don't see the conflict. The law as I am attempting to pass it says ten percent for a fifteen-month period. The argument put forward is that the landlord should be able to go to fifteen, to eighteen percent during that fifteen-month period. And I don't see a conflict between what the legislation intends and what the Board would be doing by way of administration. What I'm hearing is that you would prefer to see such people be able to go well above the guideline in rent increases, from ten to twelve or fifteen or eighteen percent.

MR. CRAIK: It is clear from the representation that has been made that there are going to be cases. There are going to be pretty justifiable cases on the basis of straight pass-through expenses, where the increase is going to exceed the ten percent. My concern is this question having been raised here about somebody who has inadvertently fallen into a category that puts restrictions on him where the Board cannot exceed a given limit because the legislation doesn't give him the latitude it gives to review another person's situation. This person here you're saying is restricted to ten percent over fifteen months, and it would appear what Mr. Johnston's pointing out, is that the legislation would appear to lock the situation down so that the Board would be powerless to do anything about it, at least for a temporary period of time.

MR. TURNBULL: Unless the man's costs exceeded what he can recover through a ten percent increase in rent, in which case he can make an application. If he makes an application and gets it approved, then he can raise his rent. Now, the rent increase will not be effective until October 1.

MR. CRAIK: Well all we're trying to do is get the assurance that the Board has the flexibility to take out these traps that are in the legislation, where they can't treat all of them on the same basis, that's all.

MR. CHAIRMAN: Mr. Johnston.

MR. F. JOHNSTON: Mr. Chairman, I'm going to try and maybe give an example here, and the Minister can correct me if I'm wrong. I know the example from the brief we've heard is maybe not going to happen, but I would like to take the example of an owner-operated premises that he lives in, and he has been renting a suite upstairs, or a couple of rooms, and the increase that he has isn't necessarily going to reach that. Now, just supposing he had put through an increase of rent of, if he was charging $150, of five percent, and he went five percent which was given ninety days notice for August 1st. What if he wanted another five percent next year to go to $165, and he would still be living within the guidelines, he'd still be living within your ten percent for fifteen months, yet he is not allowed to do it.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: He will. That is I think - he's now made it very clear. It's my understanding that the way the law is drawn now, that in that fifteen-month period he can go to ten percent. If he's been raising rent less than ten, he can go to ten. That's what I said. Remember I gave you two recourses that such a person would have, one of which was to go to the ten percent, if he's charged less than that in the fifteen-month period. So the case that you mentioned, he is not caught, he is not bound, he is not held to the amount that he raised the rent by the figure you gave, five percent.

MR. F. JOHNSTON: Well, I'm just reading Section 12, not the terms of tenancy agreement: "The rent payable for residential premises shall not be increased before the expiration of twelve months."

MR. TURNBULL: Well, we were talking of August 1 dates. So if you went August 1, '75, if you went five percent, comes August 1 of '76, he could go another five percent, he's still within the ten percent for the 15 month period.

MR. F. JOHNSTON: Yes. Okay.

MR. TURNBULL: That's cover, that situation, he's not bound.

MR. F. JOHNSTON: The man that is going to be locked in then, as I mentioned earlier, for probably two years, has only one recourse - or two as you say, the one to go up two percent, or else he's got to wait until . . .

MR. TURNBULL: Up to the ten, or make application.

MR. F. JOHNSTON: Up to the ten and make application.

MR. TURNBULL: Well, not up to the ten and make application. Up to the ten or make application. He's got to go 12 months.

MR. F. JOHNSTON: But in October '76 he can make application again?

MR. TURNBULL: Not if he's raised the rent in August.

MR. F. JOHNSTON: No, I'm going back to what we said earlier. Supposing he put it up - he has two choices, he can put it - well, quite, you're right. If he's been 8 he can go to 2, and then he makes application.

MR. TURNBULL: He has to go 12 months. He can only raise his rent . . .

MR. F. JOHNSTON: Yes. Twelve.

MR. TURNBULL: . . . once in 12 months. Okay. Thank you.

MR. CHAIRMAN: 12--pass; 13(1) - Mr. Patrick.

MR. PATRICK: Mr. Chairman, I'd like to move that under Section 13(1) to move an amendment where it reads July 1st, 1975 to read October 1st, 1975 and replace July 1st with September 1st, 1975.

MR. CHAIRMAN: Could I have a copy of that?

MR. TURNBULL: You're changing July 1 to September 1.

MR. PATRICK: October 1.

MR. TURNBULL: October 1. Sorry.

MR. CHAIRMAN: Just so the Chair gets this straight. In line 2 you're substituting the date July 1 with October 1, '75.

MR. PATRICK: That's right.

MR. CHAIRMAN: Line 4 you're changing the same . . .

MR. PATRICK: To September 1st, because that's a 12-month period, right?

MR. CHAIRMAN: That doesn't make 12 months.

MR. PATRICK: To September 30th.

MR. CHAIRMAN: Well I would like to have a copy of the resolution because . . .

MR. PATRICK: I did in both cases.

MR. TURNBULL: You want to go October 1 both times.

MR. PATRICK: October 1, yes. Both times.

MR. TURNBULL: Yes, I understand the intent of the . . .

MR. CHAIRMAN: The amendment then to the motion is that in line 2 there be substituted in place of July 1st, 1975, October 1st, 1975, and that in line 4 it be changed to October 1st, 1975 in place of July 1st, 1975. Is that correct?

MR. PATRICK: Right.

MR. CHAIRMAN: Any discussion on the motion? Mr. Patrick.

MR. PATRICK: From all the presentations that were before us during Law Amendments Committee, I believe almost every brief indicated that it would clarify much of the understanding and that it should start October 1st because there is great confusion of going into two, or overlapping into another year or half year, and this is the concern that most landlords expressed and I think it would clarify the situation if it will be made October 1st, which would be on a 12-month period.

MR. CHAIRMAN: Any further discussion on the motion? Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, this issue has been aired pretty thoroughly. The July 1 date there because there were, as indicated in some of the briefs too, and certainly is indicated to me in the last 12 to 15 months, there were in the summer of '75 substantial increases in rent, and the rollback and pay-back date to July 1 is intended to enable the Review Board to examine some of those increases where they do not appear to have been - well, all of them for that matter - where the landlord wants to try to make an application to retain his increase above the 10 percent level. And the reason for that July 1 date is the rate of increase in rents during the 1975 period. One could argue these dates ad infinitum. The fact is that in Saskatchewan the rollback period is December of 1974, the pay-back period is not that far back. The July date of course, is again a date similar to that in Ontario. But the prime reason here is because of the clear indications that rents were accelerating even more rapidly in '75 than they had been prior to that.

MR. CHAIRMAN: Any further discussion on the motion? Mr. Jorgenson.

MR. JORGENSON: One of the basic premises on the introduction of this legislation is that it was to coincide with the legislation in Ottawa and the Anti-Inflation Board. The date of announcement of the Anti-Inflation Board's operations was the 14th of October. And it seems arbitrary to the exteme for the government to set a date for the operation of their particular program to reach beyond that which was announced by Ottawa. The government's argument in the introduction of this legislation in the first place was that it was to coincide with the Anti-Inflation Program. If it is to coincide with the Anti-Inflation Program, then the starting date should be October, and more precisely October 14th. It's this kind of legislation and this kind of arbitrary decision-making on a matter that is as important as this that has tended and will continue to tend to discredit governments, and for very good reason. And because of the fact that the legislation itself is designed to fit in with the Anti-Inflation Program, we intend to support this particular amendment.

MR. CHAIRMAN: Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, the argument that I'd like to raise really has to do with the operation of the Rent Control Program. I think the experience elsewhere in jurisdictions where rent control, rent stabilization acts have been brought in has been that the major criteria determing its effectiveness is the administration of it. And one of the things that concerns me under the present bill is that we really have these lap-over periods and that it would be a far more effective administration if it could coincide really with a 12-month rental period. In fact if you really look at the way the bill operates now, it really is an 18-month period because the July 1st date means that under the Landlord and Tenant Act rental increases had to be announced three months hence going back to April '75, in order to be included. So in effect you're dealing with an 18-month period at 10 percent, which is certainly far below even the anti-inflation guidelines that are set out. Ten percent is much closer to about seven percent. But even with that, the fact that we overlap so many rental periods, it means I think that you're going to compound the number of appeals, references and squabbles that are going to arise simply because of the lack of clarification. And that if it was very clear that the 10 percent applied to a 12-month period that would begin in October, then landlords presently could set their rents accordingly, and you would avoid some of the problems that were raised in the previous discussions and therefore really make the thing work. And I think that that has to be a primary concern.

The Minister raised the issue of some extraordinary rent increases during this summer period, or last spring, and there's no question that there were some. But again I think that the major brunt of heavy rent increases came in the fall period, not in the last spring period, and in my own constituency tried to keep a running track of these things and it seemed to me that the heavy rent increases, the 20 and 30 percent ones were coming in the fall period, not the spring period. Now there may be some - and the Minister obviously has a wider base of information than I do - but I would simply say for the sake of effective administration in avoiding tens of thousands of unnecessary appeals, that this particular amendment would make sense.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Well I note Mr. Axworthy keeps his cool when he's talking about squabbles and numbers of appeals. There are certainly going to be many. Hopefully the administration can deal with them. But when we're talking about these dates, October 1 as compared to July 1, or December 30, 1974 as compared with July '75, there are a number of things that I think we have to take into consideration. One of them, and perhaps the most important, is that if we choose the October one or the October 14th date for the applicability of this legislation, that would effectively exempt the great number of people who are on leases. And that simply is not the intention here. The intention here is to attempt to get to the increases that occurred in the summer of '75. I did meet with representatives from the industry in May of '75, I think it was. I explained to them in effect that there was clearly a problem emerging in the cost of rental accommodation, and that as far as I was concerned the best thing for them to do would be to regulate their own shop. And through that summer - that was in May - through that summer, it was evident that the reverse was happening, for whatever reasons. Presumably, some increases are totally justified by costs, some it would appear are not justified by costs at all, and to choose the October 1st date or the October 14th date, just ignores the fact that these rent increases went in.

(MR. TURNBULL cont'd)

The other point made by the Member for Morris with regard to the conforming of this legislation with the guidelines, I have to say this. The Member for Morris is indicating that there should be an October 14th date, I gather, because that's the day after the Prime Minister of Canada announced the guideline program. But the guideline program contains a very important feature, which in effect carries the guideline program back far beyond the October 14th date. And that feature is the 95 percent of average profit over the previous five years. Now I asked some of the people who are in the business of renting out accommodation whether they would go along with a 95 percent period over the past five years' average profit, and they just don't really want that kind of retroactivity introduced. So we can look at it in a number of different ways, but I just want to emphasize that the Federal program doesn't start simply on October 14th, there is this 95 percent of return over the previous five years. So that the July 1st date I think, doesn't go back five years, but it does go back to the period when rent increases were of great significance for many many tenants, and I think in many cases not justified by costs.

I'm also told that not all landlords wanted October 14th, one of them suggested January 1 of '75, and that just shows in my mind that you can take various dates and attempt to justify them. The July 1, 1975 date, I've given a justification for it, a later date in October just exempts too many rent increases that did in fact occur.

MR. CHAIRMAN: Mr. Patrick.

MR. PATRICK: Mr. Chairman, the Minister is confusing. He keeps referring to the October 14th date. We've never mentioned October 14th. The amendment is October 1st.

MR. TURNBULL: The Member for Morris.

MR. PATRICK: Yes, but you were talking to the amendment and to remarks that I made, you said October 14th and our amendment is October 1st. The problem is here, and I'm sure the Minister is aware. When he talks about the other provinces going further back and having more retroactive legislation, that's not true because the other provinces brought in their legislation last year, late of '75, so they were on a 12-month basis. That's what happened in Ontario, and the same thing happened in B.C., that they were on a 12-month basis. And what's happening here, we're going on an 18-month basis, and that's the difficulty that we have. So when the Minister says the other provinces, I think that hasn't got much relevance because they are on a 12-month cycle, we're not. So that's the difficulty that I see the Minister will have. And the other point is we're not talking about October 14th. Another point that the Minister makes, he says about many increases in '75. I'll agree there probably has been some increases that were too high, but the point is the majority - and I'm sure that if you'll do some investigation, just a small survey, you'll find out that the majority of the rents come due in September 30th, or new leases come due October 1st. That's a fact, you'll find that out. And the date of October 1st would catch all these people. In fact it was announced that the date is going to be October 14th by the Premier. So that's the difficulty.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: The announcement was that they would be at least back to October 14th, and I do not see how the tenants in Manitoba should be in any different position than the tenants in Ontario. And the suggestion that the honourable member is making appears to be - the Member for Assiniboia says since this is not a problem because most of the increases started on October 1st, you'll catch them all if you do it on October 1st. Well then you are saying that we should catch them, but we will catch them with this date. Now if you're wrong, then we'll catch them with July 1st. And anybody who has a problem, anybody who has a problem with those increases can come back to the Appeal Board and show his problem, and if it is a problem then I gather that he will be able to get a decision of the Board which would confirm the problem. But you cannot argue both ways. You cannot argue that none of the increases took place between July 1st and October 1st and therefore it's not necessary, and then argue that you want to get the increases and you'll get them if you do it on October 1st. If you want to get them, you'll get them on July 1st, and if there is a problem associated with any individual landlord he will be able to go before the Board and have that problem corrected. What the Province of Manitoba is doing, is providing for the same period as was provided for in the Province of Ontario. The only difference as I see it is that they had a fall Session and that we didn't.

(MR. GREEN cont'd)

Mr. Chairman, what the members are arguing is that this province should have gone through the expense of having a fall session for one bill to deal with rent controls so that the citizens of Manitoba would be in the same position as the citizens of Ontario. What the province has opted to do is to make the announcement that there will be such a control, that the control will go back to at least that date, and likely predated, and that the legislation will provide for that to happen. And then the period is exactly the same a as Ontario's period. The only thing that is different is the date of the legislation. And I don't consider to overcome that difference that we should have had a Legislature Session in the fall. I am sure that had we done that we would have the Member for Assiniboia, the Member for Fort Rouge saying, you brought us here, 57 members, with a Session, with indemnities, to provide for one bill to go back to July 1st when you could have done exactly the same thing if you met in January and made the legislation retroactive to July 1st. That would have been the argument. So we have no doubt that we would have received the support of my honourable friends, the question is, which argument would we like to face most. And I would prefer to face the argument that we are making the bill the same as Ontario's and enacting it in March, then to face the argument that I would have had to face by my honourable friends that you stupid people, you have called us here in the fall to enact one bill to go back to July 1st.

A MEMBER: Come on, come on.

MR. GREEN: Mr. Chairman, are they suggesting that they would not have argued that? Are they suggesting that they would not have argued that?

A MEMBER: Calm down.

MR. GREEN: Never. I suggest that they would have argued that, and that would have been a much more difficult argument for me to deal with than the one that we have before us right now.

A MEMBER: My mind doesn't work like yours.

MR. CHAIRMAN: Mr. Axworthy.

MR. AXWORTHY: Mr. Chairman, after listening to the Minister, we almost don't need a Legislature in Manitoba because the Minister could take care of both opposition and government at the same time. He has the capacity to create arguments for himself, against himself and for himself. It's an amazing form of mental manipulation. But the fact of the matter is that the Liberal caucus last September in fact held a press conference and sent a letter to the Minister I believe, asking that a Session be brought in. So that wonderful sense of fantasy that the Minister of Mines and Resources was creating was all for naught, because the fact of the matter is that we did request a Session because we felt that the major concern . . . and that such a request was made public and --(Interjection)-- Well, we did, we said we wanted it because we felt that it was absolutely essential in a piece of legislation as complicated and as difficult to administer as this, that it be done as soon as possible and without the complication of extending the time period in which it would have to apply. And the fact of the matter is that other provinces are working on 12-month cycles, that Ontario for example started January 1, retroactive back to the previous January in order to catch the rent periods.

Now the case we're making here is that you go back to a July 1 date, you in effect because of the operation of the Landlord and Tenant Act in fact take it back to an April '75 date because there has to be a three-month announcement of any rent increases. So in fact it goes back to April. We're saying if you set this at the September 30 date which is the traditional date when leases come due, in effect those take into account the rent increases announced during the months of July and August and September, within that period in which the landlord would have to give due notice, the period that the Minister referred to. So we're saying that on those grounds alone that we would be able to take care of the exorbitant rent increases that occurred during that period that were announced in July and August or in the three months previous to September 30th, so you would capture that. And at the same time we would then be able to start this particular bill working on a 12-month cycle, and I would simply say for reasons of efficiency and effectiveness as not discrediting the bill and discrediting the activity because of a huge pile-up in the appeal procedures and the application which are going to probably happen in any event, but we can certainly decrease the amounts of those and decrease the red

(MR. AXWORTHY cont'd) . . . . . tape and the bungling that's going to go on as a result of this 18-month point. That is the kind of thing that we're arguing for, is that we want to deal with the rent problem but let's deal with it effectively, let's just don't deal with it on a basis of some arbitrary figure or dates that are established, and we think that's why the capturing the September 30 we state would be satisfactory.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: Well, Mr. Chairman, I just would want to add my few words to support of this amendment at this time. It seems to me, Mr. Chairman, that the Minister and the government is losing an opportunity by persisting to oppose the efforts to make this date more closely identifiable with the general period of controls and restraints that we have accepted in this country by and large whether we like them or not. It seems to me that the Minister and the government is declining an opportunity that would at least assure him of a far greater degree of active support on the part of the landlords in this difficult program. If I recall, and the Minister recalls, more is such a mounting evidence that's been presented to us both at committee and in second reading on principle on this bill that indicates that controls of this nature leaves a great deal to be desired in terms of the overall housing problem. It seems that most authoritive studies done with respect to solving housing problems in communities such as ours, the easy and fast answer of controls seldom is the all-cure answer. There are very few authoritive people that have written on the subject, that have studied the subject, that come out endorsing the concept of these kind of controls. I think that's been amply documented in the kind of material, the kind of speeches that have been made from all sides of the House, I may indicate. Mr. Minister, you've indicated your reluctance in believing that this will cure all problems with respect to rising rents and housing accommodations generally in our city.

However, we in the opposition along with I believe, to be a majority of Canadians have accepted to live in a period of restraints and controls, and I believe that's true of the majority of landlords. I appreciate that's not all landlords, but I certainly gained the impression that the majority of landlords are prepared to acknowledge the fact that they could not escape these controls being imposed on them if we as a nation have accepted them. The major item of shelter could not be excluded from controls when wages are to be controlled, when other prices are to be controlled. But it would seem to me a shame, Mr. Minister, that this government has in its persistence at this particular point of the consideration of the bill before us, declines the opportunity of making this work more harmoniously and with a greater degree of co-operation on the part of the landlords in this city who grudgingly or not, accept the fact that these overall control programs have been imposed on this country and we accept them. Now let's make them as equitable as possible and let's make them appear to be as equitable as possible, without asking one sector of our community to be in effect penalized in this way.

Mr. Chairman, I only add my voice to the discussion on this amendment on that basis. It would seem to me that for reasons already mentioned, the invitation for a greater amount of red tape, a greater number of appeals that the Board will have to deal with immediately because of your insistence on July 1st, because of the feeling that the landlord community will have of being singled out and discriminated against, I just repeat that you're missing an opportunity of having a greater degree of their co-operation than you might well have if the bill passes in its present form.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Mr. Chairman, the people who have spoken in favour of this amendment seem to want it both ways. On the one hand they say that most of the leases come due in October anyway, and therefore if you set the October 1 date you will catch most of the problems. On the other hand, they say the July 1 date will mean there will be a great number of applications because of leases coming due in that period of time, between July and October. So it seems to me that either it's one thing or the other, but it can't be both. And just in summary from my own point of view, Mr. Chairman, the members in support of this resolution are saying that the government can save itself a lot of trouble and it can make the administration of the Act very simple by exempting a lot of rental accommodation from the application of the Act, and that is just not something that I am prepared to do.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, I want to first of all thank the honourable member, my friend here from Lakeside, for his great solicitude, for the goodwill that the people will show the government. I know that he is very concerned that the government have the goodwill of any group in the Province of Manitoba, just as the Member for Fort Rouge says that I'm trying to help the opposition, that the Member for Lakeside is trying to help the government.

I want to suggest, Mr. Chairman, that what I said earlier has been more than confirmed by the Member for Fort Rouge - he said that they called for a session, and I'm suggesting that the reasons that they called for a session is that we said that we weren't going to have one. That therefore if the government says they're not going to have one, that the Member for Fort Rouge said the Liberal Party called for a session.

What will happen now if this amendment is passed? I'm going to help the opposition with their argument because they have conceded that I can do it much better than they, and I accept that, Mr. Chairman. Now the fact is . . .

MR. ENNS: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Mr. Enns.

MR. ENNS: On a point of order and a personal grievance maybe, a personal point of order, the Liberal opposition may have suggested that but Her Majesty's Loyal Opposition has never suggested that.

MR. GREEN: Her Majesty's Loyal Opposition is often wrong, Mr. Chairman. The fact is that what the Member for Fort Rouge will announce is that if this amendment was passed he would go to the landlords and say look we got the date moved to October 1st, and he will go to the tenant and he will say: you see because they didn't call a session in the fall when we told them to call a session, you have got to worry about the period from July to October 15. If we would have called a session . . . Mr. Chairman, my friend here, Mr. Johnston, appears incredulous, I've heard far worse from the opposition, and I'm suggesting to you that what we did is consistent, that we said that there was going to be the controls that we said that it would, at least, take in the period from October 14th and would probably predate it, that we are providing exactly the same rules and in the last analysis, to obtain the goodwill of the landlords, it is not going to be firm. Any landlord can come and show that he has a problem and the Review Board will take it in. That is far more than has been offered the workers of this country. And really that is the issue. I am not a fan of the controls. I have made it plain that I am not a fan of the controls. I do not like this type of control but if the Federal Government says that every worker in this country is going to have his wages controlled, that he will not be able to push through his costs for wages, for hamburgers as the Member for Lakeside talks about, for all of the things that he has to pay for. And I suggest that it's the wages that chase the costs, that the costs do not follow the wages as is so often said by groups who have great affinity with the real property owning group in this country. That they have, for the most part, Mr. Chairman, the Chambers of Commerce, the business community, the investment community, have praised that freeze on workers' wages with no cost throughs, no appeals. And I say that being the order of the day, that I'm not going to say that one segment of the community, if I have anything to do with it, shall bear the brunt of this kind of legislation. And what's what will happen if we do not make the recommendation that the Minister is pursuing.

QUESTION put, MOTION defeated.

MR. CHAIRMAN: 13(1)--pass; 13(2).

MR. WALDING: Mr. Chairman, I move that Subsection 13(2) of Bill 19 be amended by adding thereto, immediately after the word "provide" in the sixth line thereof, the word "that".

MR. CHAIRMAN: 13(2) as amended-pass. The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I was going to suggest that since it's about 12:30 that we maybe call it 12:30 rather than . . .

MR. GREEN: Before we adjourn and I gather that we normally would adjourn at 12:30, I think we should set a time for the next meeting.

MR. CHAIRMAN: Well before we proceed with that, Mr. Green, could we pass the

(MR. CHAIRMAN cont'd) . . . . .amendment because I never got a chance to call for. . . whether it was to pass or not.

MR. GREEN: Yes.

MR. CHAIRMAN: 13(2) as amended--pass.

MR. GREEN: Mr. Chairman, can I suggest Monday at ten o'clock.

MR. CHAIRMAN: Agreed. Committee rise.