



Second Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 10, 1978

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, in response to a request from the Member for St. Johns, I would table the agreement between the Province and the University of Manitoba regarding the Winnipeg Centre Project.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, my question is to the Minister of Tourism and Recreation. I wonder if the Minister can give us an idea of the situation at Camp Morton. All the facilities are there. It is one of the nicest campsites in the province. It's a showplace. It's not far from the city and I am told that it's being completely run-down and I don't even know if it's open to the public. I wonder if the Minister could tell us if this is true.

MR. SPEAKER: The Honourable Minister of Tourism.

HON. ROBERT (Bob) BANMAN La Verendrye: Mr. Speaker, I will check into the matter for the member. As the member might know, there are a number of log cabins there at that particular site that we are renting out to the public, and I can check into the particular matter as to condition of cabins for the member.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Consumer Affairs. Is it correct, Mr. Speaker, that the government is going to propose a change in Rules Committee so that only briefs friendly to the government would be permitted at committees outside of the House? The House Leader is now here. Perhaps, I can direct my question to him.

Mr. Speaker, I wish to propose a question to the House Leader. Is it correct that the government is going to propose in Rules Committee that only briefs friendly to the Conservative administration be permitted in committees outside of the House?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, that is not what I said; that is not what I intended to say. What I did say was that I have been disturbed, not just in the past few years but for some time, about the trend that is taking place in appearances before the Committee, and that started with the appearance of delegations during the Autopac debate, that the purpose of the hearings were to provide an opportunity for the public to comment on clauses of bills that were before the committee and how it would affect them. As my honourable friend knows, that's a very useful exercise because drafting is an imperfect art, and it provides us with an opportunity to hear people who are going to be directly affected by legislation to get their views, their suggestions for

changes, and my honourable friend has had the benefit of that kind of advice, and governments before them have had the benefit of that kind of advice. It's very useful and I don't want to see it stopped, but I do think that we want to make sure that the presentations that are made before the committee are made in such a way as that we don't provide simply political platforms for people who want to hurl invective at the government or members of the Legislature.

There were comments made not only against the government but against members of the committee that I thought were not in keeping with the spirit of those committee hearings and I simply want to ensure that those people that appear before the committee have a clear understanding that we welcome their views but we don't welcome their invective.

MR. GREEN: Well, Mr. Speaker, given the fact that invective is a normal feature of the free society, I wonder whether the House Leader can assure us that the only procedure that he is contemplating — and I am happy to hear that he is not contemplating procedure which would permit only friendly briefs, although his last few remarks make me wonder what he is contemplating — I wonder if he can assure us that the only thing that he is contemplating is perhaps the imposition of time limits, which the committee has from time to time imposed, and then if there are unfriendly remarks at least they will be limited in time.

MR. JORGENSEN: Mr. Speaker, the committee already imposed a time limit of 30 minutes. The Law Amendments did that last fall and the Statutory Regulations and Orders Committee did it at the time that the committee was formed on Friday night. So that already exists within the committee structure.

Perhaps I should put it this way: What I am suggesting is that appearance of witness before the committee follow the same rules that the members must follow, and that is they keep their remarks within the confines of the particular legislation that is being presented before the committee.

MR. GREEN: Mr. Speaker, then may I be assured that, other than people given the same latitude and perhaps sometimes more because they are not familiar with the rules, that the only imposition that the Honourable the House Leader is thinking of at the present time is a 30-minute time limit, plus widely and broadly interpreted, the rules of the House with respect to members.

MR. JORGENSEN: Mr. Speaker, it is not the House Leader's or the government's intention to arbitrarily impose anything other than what the committee agrees upon, but I do intend to have discussions with my honourable friends to see if guidelines can be established that will — what I have termed getting the purpose and the intent of the committee hearings back on the rails.

MR. GREEN: Mr. Speaker, may I ask the Minister then to consider whether what he will permit members to say is exactly what members in this House say and what members in this House have said in the past with respect to other members. I think that that gives a pretty broad range of invective.

MR. JORGENSEN: In the Legislature, we are politicians and we handle matters in this place that I suppose come very natural to politicians, but I have always felt that the hearings before the Committee were intended to provide the public an opportunity — and I don't have to remind my honourable friend that we're the only province that provides that opportunity — the public, to appear before that Committee, to express views on pieces of legislation and how it could affect a particular group. We have had the benefit of that kind of experience in the past and I've always considered it to be a very useful exercise and would not want to see the Committee hearings discontinued. It's too valuable to the government, and too valuable to the members of this Legislature in forming legislation that will affect people by that legislation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. EDWARD SCHREYER (Rossmere): Mr. Speaker, I have a question in two parts for the Government House Leader. The first is to ask the Government House Leader what specifically he has in mind beyond the imposition of sometime constraints, which we do not necessarily disagree with; what specifically does he have in mind beyond that? Is he suggesting some form of orchestration in order to achieve some kind of balance between two contending sides of any issue before a Committee? Because if that's what he's suggesting, we're utterly opposed to it; it's artificial in every respect.

MR. JORGENSEN: No, Mr. Speaker. I anticipate that what will happen in the future is what's happened in the past. People that appear before the Committee are there, not because they support

a particular point of view or support legislation, it's because they're opposed to it that people appear. And that will continue, and I think it should continue. If there are clauses in a particular piece of legislation that affect people adversely, I think the government wants to hear about it, and I think the members of the Legislature wanted to hear about it, and in addition to that would like to hear suggestions as to how it can be changed so that people will not be adversely affected.

MR. SCHREYER: The second part of the question has to do with procedure as well, and that is, to ask the Government House Leader if it is the intention to proceed simultaneously with meetings of the Committee at the same time as the House conducts business here in this Chamber. I would like to ask the Honourable Government House Leader if he hopes to continue to do so. Later this afternoon, or this afternoon and this evening, since this is an unorthodox and an unusual procedure requiring consent, I believe it's likely that such consent would be forthcoming this afternoon and subsequently, but in the case of this morning it is not likely to be forthcoming since there has been no opportunity to consider the matter. Would the Government House Leader consider in that light, some form of procedure that this can be dealt with amicably with respect to this afternoon and subsequently, without forcing the issue this morning, since it hasn't been properly considered?

MR. JORGENSON: Of course, Mr. Speaker. As a matter of fact, when I indicated on Saturday afternoon that we would be seeking consent of the House to sit this morning, I emphasized that it would require the consent of the House, and I could not guarantee that. If sitting this morning poses a particular problem to my honourable friends, I have no intention — and I couldn't indeed do so — ask the Committee to sit. It would only be by unanimous consent. And I am encouraged by my honourable friend's suggestion that they would be prepared to give that consent for this afternoon and this evening.

It is an unusual practice, I readily admit, but it was one that was agreed upon by the members of the Committee, on both sides of the Chamber. The Member for Selkirk was the one that discussed it with me, and he felt that there would be no difficulty. On the strength of that suggestion, indeed, he consulted with other members of his committee, and I believe there was unanimous agreement that they would agree to sit.

Now, if the House feels otherwise, then of course the committee will not sit. I have no intention of imposing any sittings on anybody unless there is agreement.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, may I then ask the Government House Leader, in the event that consent is granted with respect to this afternoon and subsequently, would it be the intention this morning to continue in committee only, or in the House only?

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Well, if the House will only be sitting this morning, we will be dealing with legislation. There are still a number of items of legislation that can be dealt with during the morning sitting. There is a possibility this afternoon that we just may in Committee of the Whole on certain measures that are before the committee. It will depend on the type of work that has to be done, to a great extent, on the Order Paper. I'll attempt to consult with my honourable friends to accommodate them as much as possible to ensure that members who were on that committee, who want to appear or have some remarks to make on a piece of legislation, will have that opportunity of doing so. We'll try and structure the business so that nobody will be adversely affected.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is addressed to the House Leader. He was quoted over the weekend as saying that he believed that certain NDP members agreed with his position of curtailing what he calls the privilege — what I would consider the right — in Manitoba of citizens to appear before a Committee of the Legislature to present their views and opinions on impending legislation. Can the Minister then name who those NDP members are who agree with that ridiculous position?

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, the discussions that I was referring to took place during the time of the Autopac debate. Some of those members are not here; some of them are. I don't think that any useful purpose would be served in my naming them right now, but I have had discussions with

several members of his party, not with respect to curtailing the hearings — and I want to emphasize that — it was with respect to ensuring that the hearings were used for the purpose for which they were originally intended, nothing more.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, on a matter of privilege, and I don't wish to let the moment escape so that there is any misunderstanding, that any discussions that were held with any persons that I know of, and I was the House Leader at the time, were with respect to time limits, not in any way affecting either the right to speak or the content of the speeches — time limits.

MR. SPEAKER: May I suggest to the Honourable Member for Inkster that that is probably better an explanation rather than a matter of privilege.

MR. GREEN: Well, Mr. Speaker, I give that as an explanation.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Tourism and responsible for Cultural Affairs. Coming back to the cancellation of certain aspects of the Festival of Manitoba program, can the Minister tell us whether in making the decision to cancel aspects of that program, they took into account that there would be some \$25,000 of lost revenue to the Winnipeg Symphony as a result of lost revenues from radio broadcasting and for funds coming in from the Musical Trust Fund? Mr. Speaker, may I have some order please?

MR. SPEAKER: Order please. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. To repeat the question, could the Minister indicate whether, in making the decision to cancel certain parts of the program, they took into account the lost revenues that would be due the Winnipeg Symphony, and can he tell me does the Government of Manitoba intend to meet with the different cultural organizations who are going to suffer losses as a result of those cancellations because of commitments they have made to see if there can be proper compensation or restitution made for those losses that are a result?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. BANMAN: Mr. Speaker, first of all to correct the honourable member, there are no cancellations. The moneys will be used to provide funding for several other groups within the Province of Manitoba, both as far as the dancing in the park and the music in the park is concerned. There were some \$24,000 provided for music in the park last year, or dancing in the park last year; this year there will be \$20,000 provided. Last year there was some \$17,000 provided for the music in the park and this year there will be \$14,000, so the program hasn't been cancelled. The only difference in direction is that we will be allowing a number of other groups to have the opportunity of participating in this particular festival.

With regard to the funding, the funding for this particular thing, I will reiterate, comes from the lotteries revenues, from the same type of program where we fund the Folk Festival, which happened this last weekend, the Interlake Festival. These are all different programs that are involved in this particular funding level. My office is open and if members of the Symphony, or the Ballet, or the Art Gallery want to meet with me they have only to call me and I will sit down and talk to them about their different funding levels. But this is the decision that has been taken right now, to allow these other groups the opportunity of participating in this festival.

MR. AXWORTHY: A supplementary, Mr. Speaker. Could the Minister indicate that if the funding for the festival in Manitoba was to come from the lotteries fund could he not confirm that there has been a substantial increase in the funds derived from lottery funds over the past year and that in fact that the fund is running at a surplus and has unspent funds at the present moment?

MR. BANMAN: Mr. Speaker, the latest figures indicate that there should be more lotteries funds available. To what extent those particular funds will be forthcoming in the future is something that we don't know because of the Federal Government moving into that particular field. So I think it's pretty hard to say that we can count on these particular funds coming at a constant rate.

MR. AXWORTHY: Well, Mr. Speaker, considering that there has always been a federal involvement

in the lottery funds, would the Minister not indicate that in terms of current expenditures and current allotments of those funds that there is presently a surplus that has been unexpended, and how does he justify maintaining that surplus of unexpended funds when at the same time they are cutting back on major groups and ensuring that they incur losses which are not being covered by the government, as a result of the cancellation of parts of those programs without any proper warning or any advance warning, after they had made commitments to their professional companies to come back and perform these duties.

MR. BANMAN: Mr. Speaker, all I can say is that this particular program was not cut. There is funding allowed. These different groups that will be participating are receiving a certain level of funding, and for this year we decided to allow those different — whether it be musical groups or dancing groups, to take that particular initiative in the festival.

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, late last week the Honourable Leader of the Opposition asked me a question having to do with what he described as a remarkable deviation from the norm on the part of two regions as against the other regions in Manitoba with respect to in-patient hospital days per thousand population in 1977. The two regions in question were Parklands and Westman, and I told him I would investigate that situation for him. The answer is, Mr. Speaker, that in 1977, Manitobans over 65 years of age used seven times as many hospital days per thousand population as their fellow-Manitobans under age 65, and that interestingly enough, statistically and demographically, both Parklands and Westman have significantly higher populations of Manitobans over age 65 than any other regions in the province. What that indicates, Mr. Speaker, I wouldn't hazard to guess, except that perhaps Parklands and Westman are more pleasant regions in which to spend one's declining years.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Well, Mr. Speaker, I rather suspected that was the answer having to do with the demographic composition of the regions, and particularly relating to the question of retirement age, post-retirement age, but I would like to ask the Minister, since he has been conscientious in pursuing this, whether he could ascertain further as to why Parklands and Westman show — perhaps this is for another ministry — show a different age demography than say Central Plains or the Pembina Valley. It's quite understandable with respect to Norman and Greater Winnipeg.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, I can certainly undertake to discuss that, investigate that with my colleagues. I would suspect that particularly with respect to Westman, it would have to do with an agrarian population that was continuing to live as it grows older in the area in which it's always lived, unlike some other regions where there has been perhaps a more rapid exodus to the cities. But on the same subject, Mr. Speaker, I could advise my honourable friend that there are more active treatment and extended treatment beds per thousand population in existence, in any event, in those two regions, Parklands and Westman, and I think it follows naturally — I don't think that my honourable friend would disagree — that where there are more active and extended treatment beds available, there is a tendency for them to become filled.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I'd like to address a question to the Minister of Consumer and Corporate Affairs, and ask the Minister whether he will be reviewing, or perhaps, has he reviewed the recommendations of the Task Force re the organization and financing of the Manitoba Telephone System, for which he is responsible?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, in response to the Member for Brandon East, there has been no review as yet of the recommendations of the Task Force with respect to Manitoba Telephone System.

MR. EVANS: Well, could the Honourable Minister advise, Mr. Speaker, whether it is his intention, along with his staff, to closely review the recommendation of the Task Force respecting the financing

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and organization of the Manitoba Telephone System? Is it his intention to carry out a serious review of the financing of MTS based on the recommendations of the Task Force?

MR. MCGILL: Mr. Speaker, I can tell the member that there will be a review of the recommendations of the Task Force, and that will include those on the Manitoba Telephone System. I further assure him that such review will be serious.

MR. EVANS: Well, I appreciate the Minister's comments that he will engage in a serious review of the Task Force. I wonder if he would be prepared, with regard to the debt-equity ratio which is now approximately 86 to 14, and the Task Force recommending a target of 70 to 30 which some economists consider to be an idiotic suggestion by the Task Force, I wonder if the Minister would be prepared to use some outside expertise, some outside economists, to get advice with regard to the debt-equity ratio, particularly the recommendation that the target of 70 to 30 be adopted.

MR. MCGILL: Mr. Speaker, the review which will be undertaken will be a serious review, and it will involve the input of people whose competence we have no question about in respect to the debt-equity ratio that is now in place in Manitoba Telephone System, and it will be compared with the recommendations of the Task Force. The review simply will investigate all aspects of that question.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Yes, Mr. Speaker. I'd like to make a change on the list of members on the Special Committee on Statutory Regulations and Orders, the name of Mr. Brown be substituted for that of Mr. Jorgenson.

MR. SPEAKER: Is that agreed? (Agreed)
The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, it appears that there is no unanimous agreement for the House and the Committee to meet simultaneously, so we will proceed in the Chamber this morning, and will you call . . .

MR. ENNS: So much for trust.

MR. JORGENSON: . . . Will you call Bill No. 62, please?

MR. SPEAKER: Bill No. 62, An Act to Amend The Rent Stabilization Act . . .

MR. SCHREYER: On a point of order, Sir.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SCHREYER: Just so there is no misunderstanding and no cause for the Minister of Highways to mutter about trust, I want to repeat, as was indicated earlier this morning, that the question as to the possibility of consent relative to meeting simultaneously remains an open question. We will advise honourable friends this afternoon, but with respect to this morning, it is not possible, for reasons I've already indicated.

ADJOURNED DEBATES ON SECOND READINGS

BILL NO. 62 — AN ACT TO AMEND THE RENT STABILIZATION ACT

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Mr. Speaker, I adjourned this for my honourable colleague, the Member for Transcona.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, Bill No. 62 is An Act to Amend The Rent Stabilization Act. We find that it is impossible for us to support this bill; it's a bill to end, not continue, rent controls, and that's what I think is critical about this particular piece of legislation. Also, it's a bill to open up loopholes you could drive a truck through, while this government is in the process of ending rent controls, and it's a bill to further emasculate an already badly weakened and disrupted Rent Review Program.

Mr. Speaker, there's a great deal of confusion about the proposals put forward by the Minister responsible for rent controls. On June 28, Mr. Speaker, when introducing this bill for second reading, he indicated that he had on Friday, April 28, announced the government's intention with respect to the future of the Rent Control Program, he indicated that there would be a Phase IV commencing October 1, 1978 and a Phase V commencing October 1, 1979 continuing to June 30, 1980, and he indicated that the guidelines in Phase IV would be guideline rent increases of 5 percent, 5 1/2 percent, or 6 percent, depending upon the circumstances.

He implied in that presentation, on second reading of this bill, that he had to bring in Bill 62 to give effect to those proposals. That is completely erroneous. He doesn't need to use Bill 62 at all. He doesn't need to amend The Rent Stabilization Act. Section 15 of the existing Rent Stabilization Act says the following, and it's quite critical: "With the approval of the Lieutenant-Governor-in-Council, the Board may make regulations specifying the amount, if any, or the formula for calculating the amount, if any, by which the rent payable for residential payment periods may be increased on or after October 1, 1976, and in any succeeding year over the rent payable for the residential premises for any previous rental period."

So, Mr. Speaker, the existing legislation — the existing legislation — is the legislation under which rent controls can be continued beyond September 30, 1978. It is under the existing legislation that the rent increase guidelines are established, and it is up to the Lieutenant-Governor-in-Council every year to make a judgment as to whether the economic and housing supply circumstances are such that a continuation of rent controls would be warranted. That legislation is sufficient. It is excellent; it is sufficient for its purposes. Why change it?!

I'll tell you why they want to change it. Because they want to end rent controls. Despite all attempts by the government to put a contrary position, their interest has always been to end rent controls immediately — immediately — without establishing a decent context within which it might be possible to phase out of rent controls. What they want to do, Mr. Speaker, is indicated by the Minister in his June 28th statement. He wants to establish a number of exemptions in the Rent Control Program. He wants to end the Rent Control Program in a year and a half and he wants to establish a number of exemptions.

Mr. Speaker, I think that willingly, or I would think advertently, the Minister has fooled the public on this particular issue. By announcing these guidelines on April 28, he gave the impression that the government was continuing rent controls, and then a month later, he brings in legislation which in effect legislates an end to rent controls as of June 30, 1980, and that will be put in the legislation; that is in the legislation. A legal end to rent controls does not exist in the present legislation, but these amendments will do that. Mr. Speaker, there is no reason at this stage of the economy, at the particular stage in the business cycle, and given the present housing supply situation, to bring about an end to rent controls. There is no program that this government has put forward to in fact deal with the housing crisis that we find ourselves in right now, so why end rent controls? Why legislate an end to rent controls on June 30, 1980?

We say that rent controls can only be phased out when the vacancy rates are of the order of 4 or 5 percent. Mr. Speaker, what is happening is that the vacancy rates aren't increasing to 2 or 3 or 4 percent, they are going the other way under this government's administration. Six months ago the vacancy rates were 1.9 percent. The latest CMHC survey on vacancy rates indicates a vacancy rate of 1.6 percent. We're going backwards. If the program of the Conservative Government continues whereby a social housing program is completely eliminated without anything positive or anything offered as an alternative to a public program which was completely shut down, then that vacancy rate will go not from 1.9 percent to 1.6 percent, it is going to continue a slide to 1.3 percent or 1 percent. This problem is particularly bad in the inner part of the City of Winnipeg where the vacancy rate isn't 1.6 percent; it's probably half of 1 percent. My colleague who represents that area says basically the vacancy rate is zero. The problem exists because we are having something in the order of 800 to 1,000 demolitions in that area every year; every year, 800 to 1,000 demolitions. Traditionally, this area provided rental accommodation for low-income families and for senior citizens, but 800 to 1,000 are being demolished each year.

What do we have to take the place of those 800 to 1,000 units that are being demolished each year? We have nothing right now. We have had a senior citizens' housing program that has been stopped. We have had some large projects for that particular area that would have provided very much-needed senior citizens' housing accommodation within a control program, something in the order of at least 350 units, possibly 500 units, this year, stopped. So we are compounding the

We are compounding the problem and at the same time we are going to remove rent controls. Why? Again, no logic, no logic whatsoever.

If the government could provide any shred of evidence that they have a program that would increase the vacancy rates, especially for low-income families or senior citizens, to something in the order of 4 or 5 percent, then maybe one could give this bill some credence, but they have nothing. They are completely silent. In fact, they are conspicuously silent about what the real problem in the housing area is, and that is an insufficient supply of affordable housing, an insufficient supply of affordable rental units. And that has nothing to do with the Rent Control Program, because, you see, new units constructed after October 1, 1976 are exempt from the Rent Control Program. So one can't argue that rent controls somehow are a disincentive for people to build new apartment units. It is just not true; it is just not so. That means that something is wrong within the private sector right now with respect to the provision of low-income family units, and what is wrong is that the private sector never, never has adequately filled that gap of providing housing for lower-income families and for senior citizens. And this government is putting nothing in place to deal with that problem and the crisis is going to grow, the pressures, the economic pressures for rent increases are going to grow because the demand is increasing for medium-priced accommodation and lower-priced accommodation but the supply is decreasing at least in the order of 800 to 1,000 units per year.

In taking away rent controls at this particular stage, legislating, committing yourselves in hard legislation to a program of a complete end to rent controls by June 30th, 1980, is an invitation to landlords to put those rents up. The economic pressures will be there for those rents to go up and the inducement to the landlords will be there for the rents to go up.

So the overall housing policy of this government is a sham. It is non-existent. And rent controls, which have to be viewed in the context of that overall housing policy, are just as much a sham, because they want to get out of it. They are afraid to admit that they don't have a housing policy, that they don't have a housing program, that they have no way of increasing vacancy rates to four or five percent. And they don't want to be blamed for the tremendous problems that will exist in a year or a year-and-a-half, so they are going to get out of it. They are going to get out of it by saying, "Well, we legislated that we should get out by June 30th, 1980."

I want that legislation to exist the way it is and have the government each year make its decision with respect to rent controls on the basis of the effectiveness or ineffectiveness of its particular policy. That's what we have to do. We have to keep this government on the hook with respect to housing, because housing is a crisis and it's a crisis that's going to grow rather than diminish. You don't deal with these crises by running away from them, and this is what this government is doing.

Also, Mr. Speaker, look at the other side of the coin, those people who in fact rent these types of units, many of which are being decontrolled. Their incomes are lagging behind the rate of inflation. We have a government that will say "no" over and over again to any requests to increase the minimum wage. We have a government that will say "no" to senior citizens who feel the pinch of inflation and yet, perversely, we have a government that will say "yes" to pretty massive rent increases, which will affect these people at the lower end of the income scale the most — sheer perversity.

Secondly, Mr. Speaker, this bill, while ending rent controls through legislation in a year-and-a-half will create a large large number of exemptions. And it does so by freeing up from controls various types of apartments. One of the categories is those apartments built after October 1st, 1973, will be freed up from controls, instead of leaving the legislation the way it is and having those apartments built after October 1st, being freed up from rent controls. Why? Why are we going to now exempt all those apartments built from October 1st, 1973, to October 1st, 1976? I looked in vain in the Minister's statement of June 28th, 1978, when he introduced this legislation, I looked in vain for any justification for that. None exists, none exists and I'm hoping that the Minister will at least come forward with some justification, because there is none right now, and I think it's incumbent on the Minister to put that forward, and to date he hasn't.

Another category freed up from rent controls are apartments which are voluntarily vacated. Again, I see no justification in the Minister's statements back-up to this bill. Why? Why apartments which are voluntarily vacated will somehow validly be exempt from rent controls. Why is there no justification?

I suggest, Mr. Speaker, that there is no justification for this exemption because there can be none. Logically and imperically there is no justification for freeing up those apartments from rent controls. This is probably the worst exemption of the bunch. It's a horrible one. What constitutes voluntarily vacating an apartment? We have a lot of difficulties right now in tenant-landlord relations. This is an open invitation to chaos and it's being done while the Rentalsman's office is being frozen. It's being done when the Rent Review Agency's staff are being massively cut back. So, again, another perverse contradiction. On the one hand you have a number of complicated exemptions being put

forward and then, on the other hand, you have the staff that might deal with all these problems being cut back. This isn't a piece of simplifying legislation, it's a piece of legislation that greatly complicates the present rent control program. And I'm surprised that a Conservative administration would bring in legislation that completely complicates a fairly simple easy-working program.

What we're going to have if this legislation goes through is a complete mess, a complete mess with no staff to sort it out, with people very badly confused as to what their rights might be, with complete and constant harassment. And I will tell you why there will be harassment, Mr. Speaker. There will be harassment because if you free up from controls those units which supposedly are voluntarily vacated within a block, you will have a situation where maybe three or four units in a nine-unit apartment block are freed up from controls. If the experience follows that in other provinces, the rents for those apartments will go up \$50.00, \$60.00 a month. The landlord will be in a situation where he looks at these units that are decontrolled and he says, "Boy, you know I'm making \$60.00 a month more from these units. Boy, I wish the other five were decontrolled as well." So maybe the maintenance slows down; maybe the apartments aren't as well maintained then; maybe the landlord then starts complaining about the children or the noise, or pets, or a number of things that he didn't complain about before now become items of dispute between the landlord and tenant. Why? Because this is an open invitation to that type of dispute. I looked for any justification. There is none. I am hoping the Minister will provide some, because I think, again, it's very incumbent upon him to indicate why that type of exemption. How will he deal with the harassment? How will he deal with all this?

He indicates in the legislation that there might be a penalty of up to \$200 if a person, after a whole review process — but there aren't staff to do the review process — find that a tenant who voluntarily vacated was harassed into vacating. A \$200 penalty — he will make that up in about five months or four months. Again, an open invitation. No explanations, but there will be tremendous problems.

Also, why is it that if someone sublets an apartment that apartment becomes decontrolled? There is no logic to that particular proposal. If you sublet your apartment, you might sublet it because you are going to be out of town for a half-year or a year. You might come back and want to take over possession of that apartment again but when you come back, the rent will be \$100.00 more. Again, another open invitation, and it strikes me that if you can sublet and if that apartment will continue to be occupied, it should not be freed up from controls.

We look for an explanation from the Minister. In any of the background material associated with these amendments, I see none. Again, it is perverse.

Another category of exemptions are all those apartments outside of Winnipeg and Brandon. Why? No explanation. The Minister said, well, we have some studies. I have not seen the studies. I know that there are problems in places like Portage, Selkirk, Flin Flon, and I look for the Minister to provide some justification. I look for him to table it. But I can't see why units outside of Winnipeg and Brandon will be exempt. Surely people in those areas as well will have problems facing rent increases that could be in the order of \$50.00 or \$60.00 per month, and usually the income levels of people outside of Winnipeg and Brandon are lower than those in Winnipeg and Brandon, so the problem will be increased for them when rent controls are lifted and the pressures go in to increase the rents by pretty significant amounts.

Mr. Speaker, we dislike this bill and we are against it because of these exemptions, but there are a number of other reasons why we are against this bill. This legislation is incredibly loose with respect to uncontrolled apartments, those apartments which will now be outside of the control program. The experience in other provinces has shown that when you decontrol apartments, the rents do go up very substantially.

Mr. Speaker, the Minister indicates, yes, but we'll monitor those increases. How can we believe that? The rent increases right now aren't being monitored. The rent increases in apartments right now aren't being monitored. We don't have a registry of rents. We don't see how they increase or decrease. We have no way of monitoring the program. We have no way of monitoring rent increases generally, and the staff has been cut back. Remember last November and December when we had those big cutbacks in staff and in the Rent Review Agency? That staff has not been increased. If you look at the Estimates, the Estimates show a pretty substantial decrease, something in the order of 50 percent in the Estimates for this fiscal year for the Rent Review Agency, a decrease in expenditures of 50 percent, while introducing a more complicated piece of legislation, and giving the Rent Review Agency a huge task that it couldn't perform right now because of its emasculated staff complement. This is a paper promise. Slaw Rebchuk would say it's not worth the paper it is written on. It just doesn't exist; it won't happen, but it's put there to pacify any fears — (Interjection)— That's right, well, he's made the verbal agreement; he's made the verbal promise. It's not the worth the paper the Act is written on.

The legislation indicates that somehow, if there is a rent increase that the person feels is unwarranted in an uncontrolled apartment, you can contact the Rent Review Agency and a rent

review officer may — may — look into it. And given the report of the rent review officers who may look into something like this, the Rent Review Board may do something about it. Why the word "may"? —(Interjection)— That'r right, they had to put in the word "may" because they don't have sufficient staff to carry out this type of promise. They should at least change the wording to "shall". If a person files a complaint in an uncontrolled apartment about gouging, the rent review officer "shall" look into the matter. Upon receipt of the report, the Board "shall" look into the matter and take action, make a decision. That would make this legislation a bit better, but I again, given the spirit, given the intent of this legislation, I can understand why they have made it so weak.

This legislation, Mr. Speaker, is also much more secretive than that which it will amend. It will make it very very difficult for people, for tenants, to come in, to take a look at what is happening, to take a look at the files to determine what is happening in their block. It will make it very difficult for people to come in and look at the file of the rent review officer who looked at their case. Why the secrecy? If they felt that this was a program that was going to continue with some integrity, then they wouldn't build in the secrecy, they wouldn't make the legislation so loose.

Mr. Speaker, we, if you go beyond the bill, the members on this side of the House do indeed feel that the legislation is weak but we also feel that there is a lack of trust. We feel a lack of trust in the government to carry out this program effectively. I think that we are justified in that lack of trust in this government's commitment to the Rent Control Program and I think we have some evidence to back up our lack of trust. We have a Rent Review Report which was tampered with by this government. I've never seen that before in the past government. I saw it tampered with. It was submitted to the Legislature as an objective report. It was the views of the authors? It wasn't the views of the authors; it was the views of the Minister. Very clearly it was the views of the Minister; it wasn't the views of the author and the staff. Its objectivity was questioned.

I think that a precedent was set with respect to the technical objectivity of the Civil Service, which I think puts the Civil Service in a very bad position with respect to this government and makes us wonder about the objectivity of any so-called technical report that we receive from this government. We have staff fired last year. We have a 50 percent reduction in Estimates. We have the Director of the Rent Review Program fired. They might say otherwise, well, the contract expired, but if the director is going a good job and has been doing a good job, and we all know that that director did do a good job of establishing the administration for that program, we do know that the director was carrying out the program very well. We do know that the director is going to be saddled, or that that agency is going to be saddled, with a very complicated piece of administration, given this proposed legislation, and the only person who possibly could have provided any type of continuity to make this mess that they're going to put in place work, would have been the Director, but she was terminated. It's interesting that Nixon used the words "operative and inoperative" and this government is now developing the terminology "terminated" instead of "firing." I prefer to use the more simple, direct language: she was fired. She was fired because they don't want this program to work; they don't want anyone with integrity in that agency to come forward and say, "Look, this legislation is a mess, it can't be implemented. I need more staff to implement this program." They don't want anyone like that. They didn't want anyone like that in the Workplace Safety and Health program; they didn't want anyone with integrity in Northern Affairs. They don't want anyone with integrity in the Rent Review program, either. That's why we have a lack of trust.

We also have a lack of trust when we see a situation where the President of the Landlords' Association says that our only hope is the Conservative Party, and despite his complaints about the guidelines which are being put in place for next year, not under this new legislation, but under the existing legislation, says the landlords don't like the 5 percent to 6 percent increase. But lately, they have been quite quiet, because now I think they understand that those increases, those guidelines, will be legally eliminated as of June 30, 1980.

So we don't have any trust. We don't know how things like cost pass-throughs will be regulated, because although you have these guideline ceilings of 5, 5-½ and 6 percent, it's the way in which the regulations are established for cost pass-through considerations to determine whether in fact this legislation has any teeth to it, or whether in fact it's just one of these paper facades. And given the fact that those staff have been fired, given the fact the Director has been fired, given the fact that the Rent Review analysis and study was tampered with, do we have any reason to believe that somehow this program will be enforced in any thorough and solid manner? How will renovations be dealt with? What happens if a landlord decides to renovate an apartment? He asks people to leave because he wants to renovate the apartment, they vacate the apartment — I don't know whether that will be considered voluntarily vacating the apartment, or some type of eviction — the person then renovates the apartment, makes some changes, two months later puts it up for rent, increases the rent by \$50, \$60, \$70.00. Given the scarcity of rental accommodation, he'll get that. How will this legislation deal with that? How will this program deal with that?

We have no indication of any type of analysis in this area at all. We have no indication that there is anyone in the department, or with that Rent Review Agency, who lived with these problems

of cost pass-through because those are problems in a Rent Review Agency, in a program — what's legitimate, what isn't? We have no evidence that any people closely associated with the past experience of this program were in any way, shape or form, involved with the drafting of this legislation, because they've all been fired. All the important people in that agency have been fired.

We asked questions of the Minister regarding the composition of the Board. We asked questions quite a while ago in the review of his Departmental Estimates. We get the answer made famous by the Minister of Tourism; "Soon, Mr. Speaker, soon." Well, I would suggest that as soon as this legislation is passed and as soon as the House rises, that's when we'll get the changes to the composition of the Board of the Rent Review Agency. —(Interjection)— And the change in regulations.

MR. DEPUTY SPEAKER: The Honourable Member has five minutes.

MR. PARASIUK: Thank you, Mr. Speaker.

That's when we'll get the changes. They're just dragging this out, getting rid of the staff who might carry it forward in any solid manner. They are watering it down, and they're waiting, waiting for the House to rise so that they can further weaken this particular administration of the Rent Control Program. And we're going to fight that; we are going to fight that, Mr. Speaker, because there's no evidence to indicate that we should legislate an end to rent controls on June 30, 1980. And there's no evidence that this government is developing any type of a program for housing, especially for the housing needs of lower income families and senior citizens. And senior citizens, I think, constitute the category of most oppressed people under this administration.

We have a demographic situation where the number of elderly people is increasing and will increase in this province, and again, perversely, we have the cutbacks of the Conservative government affecting those people the most, the elderly people the most. They are cut back on housing, they are cut back on nursing homes, they are cut back on health care; they now have to pay more for their bus transportation, and their incomes are going to be limited. That's the way in which the restraint, the burden of restraint, is passed on to the people of Manitoba.

And because there is no sane housing policy, because there is nothing positive in this legislation, because it provides nothing positive for dealing with the housing crisis that exists in Manitoba, in Winnipeg, and in particular in the inner part of Winnipeg, there is no reason for the Rent Control Program to be terminated. I can see some program of phasing out if they were coming forward saying, "Look, we have a program which will provide 1,000 units of rental accommodation controlled through MHRC, other programs, in the inner core, every year for the next five years; 5,000 units. It might keep up with the demolitions. It should be something on the order of 1,500 units.

But I see that the MHRC is putting up for sale some of the land that it has right now. On Saturday, I saw this little ad saying, "We don't want land." Some of it's downtown — Edmonton and Cumberland — it's up for sale. —(Interjection)— Fetch a good price, someone says from the other side. —(Interjection)— Must be good land, then — right. Must be a good spot to try and develop a better neighbourhood in the inner part of Winnipeg.

A MEMBER: How about a big garage on there?

A MEMBER: You're not going to escape that.

MR. PARASIUK: No, we're not trying to escape that. There would have been housing taking its place, much better housing, better rental accommodation would have been there for 50 years. We didn't expect the perversity of this type of government to come in there and turn it around and say, "We don't care about the needs of senior citizens, we don't care about low income families."

We have no positive program put forward by this legislation. We have no positive housing program. We have evidence to suggest that this government doesn't care about rent controls. We have a bill, a bill that ends it in a year-and-a-half; a bill that establishes these huge loopholes for the future; a bill that will further emasculate a good rent control program, probably the best rent control program in the country; the rent control program that was administered in the toughest manner. And because of that, we're not going to support this bill, Mr. Speaker, and we're going to be clear on it, and will be definite. We won't be like the Member for Fort Rouge, who often likes to get up and sit on both sides of the fence, he'll point out the landlords' concerns and the tenants' concerns, and he's done that consistently — but that's true Liberalism — it's called true Liberalism — it's called sitting on the fence. No, I don't sit on the fence, but I have seen the Member for Fort Rouge sit on the fence consistently and completely. That's another reason why, nationally, we have a housing crisis and it's another reason why, nationally, we have an anti-inflation program that didn't

Mr. Speaker, I'm not particularly concerned about the comments from the Member for Fort Rouge, because after four years of hard work he accomplished something; he moved one apartment unit of four people, a quadruplex, and that constituted the attempt of the member to deal with the housing crisis of the people of the Inner Core of Winnipeg.

So, Mr. Speaker, we are against this bill. We think that the people of Manitoba will be against it. There is no reason for it.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. —(Interjection)— No, that's all right; I will do it my own way.

Mr. Speaker, at a housing conference a few years ago, an Assistant Deputy Minister of Housing in the British Government said that rent control was a little bit like getting into a romantic relationship. That it's much easier to start than it is to end. I think, Mr. Speaker, that the truth of those words is very apparent, that any government that gets into it and begins rent control finds that somewhere down the track when they decide that they have to end it, that it's much more difficult.

There is also another aspect, I suppose, that we could draw upon and that is that, like many romantic liaisons, one tends to romanticize them after awhile and tend to see a certain illusionary, look upon them with fondness and remember the good parts and forget the bad parts, and I think the Member for Transcona has been guilty of that, because it's interesting, Mr. Speaker, that in terms of the performance of his own party when they were in government on the question of rent control, many of the charges that he is laying against the present government of course they were guilty of in spades. They did not bring in rent control until they were requested to as part of the anti-inflation program, not because they saw any genuine need to deal with the problem of rising rents, as they were asked, they did not in any way sort of, as they were requested or recommended in this House for several years. And secondly, when the bill was brought in, it was a very faulty bill, and the machinery, the mechanism, that was introduced for the rent review, itself, worked in a very faltering way. It was always treated as an ad hoc machinery. Each year it was temporary one, renewed year by year. No attempt to train the staff; they were mainly borrowed from other departments. No attempt to set up proper sort of working guidelines. It was always treated as a teorary ad hoc piece of machinery, dealing with one of the most complicated, complex interventions on the market. And all of a sudden we now have the Member for Transcona sort of waxing indignant about the difficulties of it, when he recognized, in fact, that the previous government had a great deal of responsibility in the lack of development of a proper rent program in the Province of Manitoba. Meaning looking at the general problem of rental housing in its total universe, looking at all the factors that affect it, relying purely upon a public housing approach as an answer to the issue even though it was not an answer to the issue or a final answer to the issue, and now all of a sudden we find — and in fact even in the last election the party, the NDP at that time, were fairly ambiguous about what they were going to do with rent control. They did not make very clear statements as to their commitments or very clear statements as to their end, what they intended to do with the program or how they intended to deal with rent. So all of a sudden this sort of repentance that we now hear from the Member for Transcona, I find both . . . I suppose if and when he ends his political career he could probably take up writing Harlequin Romance as a way of being able to provide sort of a sugar coating for past experiences in providing that kind of fanciful world that he loves to live in. So I am recommending to the Member for Transcona that —(Interjection)— He is a much better writer of fiction than he is of fact and I think that that is something that we should recognize.

The question, Mr. Speaker, though, has to do with this bill and the issue that we have to deal with is, how do you come to grips with the issue it faces? I think the difficulty we deal with in this area is that really it hasn't been properly appraised as to exactly what is the problem that rent control is directed at.

The Member for Transcona suggested it is primarily a supply problem related to vacancies. I would suggest, Mr. Speaker, that probably more accurately it is an income problem. That the difficulty with which rent control must contend with is the fact that the rental market, the private rental market, is not able to supply accommodation at a price, or rent, that large numbers of people in the population can afford, simply because the cost factors related to housing, particularly rental housing, have ballooned so rapidly in the last four or five years that the ability of those who are on retracted incomes, whether on a fixed income basis or on a slow growing income, they are simply not able to be satisfied through the private rental market. And I don't think you can necessarily always blame those nasty landlords.

The Member for Transcona is right. There are times when I try to see both sides of the case. I'm not an ideologue. I'm not rigid. I'm not fixed in my opinions. I try to see both sides of a case; I don't only see one side of the case. Now, I realize that that's not the Member for Transcona's

style, but there are people who do try to look at a problem in its total universe and not simply to decide that there is black and white or right and wrong, and that one simply adopts sort of the kind of fixed position and argues from it totally. I think, in dealing with public policy problems one has to try and look at all of the factors involved and all the actors involved.

I think that one of the things that we have to recognize is that many of the cost problems faced by the rental market are beyond their control. Hydro, for one example, 20 percent increases a year. Property taxation, 15 to 20 percent a year. In fact the biggest cost in the rental market is the supply of maintenance and personnel. If one looks at the cost factors in a private apartment block over the past six years, the most substantial increase has gone to wages, to labour, and as a result the ability to continue maintenance and servicing, using relatively high-cost labour, has been the highest cost factor. Some have estimated it has gone up close to 60 percent over the past four or five years. So that many of those cost factors are out of the control of the owner, and if they are facing those kinds of bulges, that doesn't let them off the hook necessarily. That doesn't mean to say that they are scot-free, because there are many owners of apartment units in this community who have taken advantage of those rising costs to piggyback upon them and to exaggerate them in order to get extra profits. \$

There were examples of gouging going on in 1972, 73 and 74, before the rent program was brought in, which demonstrated that many owners were simply exploiting a cost situation. So one of the real factors that we had to deal with, and it's perhaps the most difficult, is, how do you try to reduce the cost of housing? Mr. Speaker, no one really has solved that particular problem. No one has really been able to get a handle on it; there has been all kinds of attempts.

But what it does mean is that even in the question it comes down to, how do you deal with the supply of housing at rates that people can afford? And frankly, it comes down to really a choice between two mechanisms, either to restrain the rise in rents through a rent control or a rent review mechanism, or to provide for major rent supplements or rent supports on income. You don't have much of a choice, Mr. Speaker, unless you are going to simply say that people are going to start living in igloos or tents, or something, because they have to live somewhere. You either have to maintain a proper income support or you have to restrain the rise in rents and, depending on which mechanism you choose, that mean who is going to bear the cost of it.

If you choose the rent control mechanisms, the cost is largely borne by the owner of the apartment. If you choose the subsidy method, it is largely borne by the public sector, for which you have to raise taxes.

Now, Mr. Speaker, if you look at the choices that you make between those two, I would suggest that probably one of the things that we should be looking at is a trade-off between the two. I know that will not satisfy the Member for Transcona because he is a purist and he likes things only on one side of the fence, but in an imperfect world you have to work out solutions which sometimes are pragmatic and compromises. What I object to, Mr. Speaker, is this problem, that we haven't really worked out a proper rent program in the Province of Manitoba. We are once again introducing as a major change in one of the factors influencing people's ability to acquire accommodation, without dealing with all of the other factors. We are now beginning to reduce or delimit the Rent Control Program without dealing with the problems of income, without dealing with the problems of cost, without dealing with the problems of supply. So what it really should be, Mr. Speaker, this piece of legislation should be really only part of a package that has been introduced jointly by the Minister responsible for Housing, the Minister responsible for Finance, and the Minister responsible for Consumer and Corporate Affairs. It is not that way and as a result, it is not a sufficient piece of legislation because it doesn't fully contend with the general problems of rent.

We must recognize one basic factor, Mr. Speaker, and I think it is not a new one but it is true, is that virtually the private rental market in this country is dying, if not dead. It is virtually impossible to generate any private accommodation without major government support. Last year in the City of Winnipeg, of some 2,400 units of rental apartments that were built, close to 98 percent of them were built through some form of federal subsidy, either through the MURB Program, the tax shelter program, or through the ARP Program. I think it was some only 98 units of rental accommodation that were built solely and purely upon private financing without some form of subsidy, so that thus far the major subsidy we have been putting into has been on the supply side. There have been major subsidies going into the rental apartment market. Even with those subsidies, even with a major tax shelter and even with the ARP Program, it still has not been able to supply units of rental accommodation to satisfy really what you would call the low-medium or low-income range because the income required still to get into an ARP unit, at minimum, is about \$12,000.00.

So we've been putting heavier and heavier subsidies to try to help the private sector supply housing, at the same time we really haven't attacked the problem, that they haven't been able to supply for people making, let's say, between \$6,000 and \$12,000.00.

The Member for Transcona mentioned the problem of demolition. Well, Mr. Speaker, I can recall every year introducing resolutions in this House asking the previous government to provide a second

mortgage program and a subsidy program to deal with that problem, which was never answered or responded to. Neither is this government responding to that problem. It is a problem, but the previous government did nothing about it, and this government is doing nothing about it. We are not dealing with the fact that again private rental units are being sort of pulled out of the market and there is no form, federal, provincial or municipal, to deal with it at all. I can recall putting a resolution, when the City of Winnipeg Act. . . recommending that we deal with anti-demolition by-laws — that was not accepted; dealing with the second mortgage — that was not accepted; dealing with the question of a buy-back policy — that was not accepted.

So, Mr. Speaker, there were a number of measures that could be taken to reduce the elimination which neither government, and I include the Federal Government, have taken at this stage because they recognize that it is an open-ended program and a very expensive one.

By the way, the Member for Transcona is wrong in his facts. If he wants to look at the particular efforts that I have undertaken in the last four years, it wasn't four units, it adds up more to 400 or 500 units in terms of the number of four or five non-profit companies I helped to establish, like KINEW, like St. Andrew's Place, and the rest of them which —(Interjection)— Yes, very deeply involved myself in them. —(Interjection)— After the fact.

So, Mr. Speaker, the fact of the matter is that there have not been sufficient answers to that problem. Now, I would suggest that one of the questions that this government is going to have to face, if they maintain in this area this line of thinking where they are only going to attack the problem from this one dimension, is what are they going to do about a rental supplement or a rent income program? If they are going to decontrol apartments, as they presently plan, they are going to be faced with a requirement to assist people to pay their rent. It simply comes down to that. It may be, Mr. Speaker, that that supplement program cannot await any further reviews, any further monitoring, any further studies or investigations, because the program, once this legislation is passed, will come into effect.

I think the statistics are well before us. The Minister of Housing knows them as well as I do, that in the City of Winnipeg at the present moment, some 20 percent of the people pay over 30 percent of their income for rent, and that they do not have a sufficient annual increment in their rents to maintain a level of accommodation. As a result, as the decontrol program begins clicking off units out of the control situation and the rents begin to rise at a rate, I would estimate, probably around 15 percent, then they are going to really be required to move into a rent supplement program supplying support for people in private accommodation.

Now, that is going to be a cost factor they are going to have to face, so it really is a choice, because if they don't do it, what they really will be doing is simply telling substantial numbers of people, not just senior citizens but others who are on limited incomes, those who are below the age of 65, those who are students, that they simply are going to have to live in substandard housing and in fact they are going to create a market condition where increasing amounts of substandard housing will be supplied because there will be no incentive to maintain or support, because the rents won't be high enough to justify or warrant it.

So, Mr. Speaker, we are really in a very colex problem and I don't think that we gain anything by sort of haranguing or arguing about sort of who is right and who is wrong. The question is, how do you begin providing some answers to the problem at this present position. I sympathize with the Minister of Consumer Affairs that he really is standing on one leg in this regard because the other supporting foundations to a program haven't yet been put in place.

Mr. Speaker, there are also some substantial problems with the kind of decontrol that was introduced. After reading it very carefully and reading the report that the Rental Review Commission came forward with, I found it quite hard to understand the rationale for the particular measures that were included in this Act. What seemed to be the case is that under the Rent Review Study, they put forward about four different kinds of ways to decontrol. What this government seemed to do is take bits and pieces of each one of those methods and then paste them together. In other words, they said that there are four or five ways of doing it. What this government did say was, well, maybe if there are four or five ways, if we lump them altogether and sort of paste them together, we're bound to come up with the right combination.

Well, what in fact they are doing, I think, is creating a situation where, with the ability to decontrol both on a criteria of voluntary vacancies, and on the \$400 limit, they are going to create a condition of substantial distortion of the housing market. To begin with, let's use a case in point. One of the major ambitions of many owners will now be to substantially find ways to get their rents up to the \$400.00 level. The most obvious way of course is to introduce forms of renovation, which will then increase and upgrade the units, and we say, well now isn't that a good thing? But now that they upgrade and take units out of a sector of the rental market that was applicable to low and moderate incomes and raise it up to upper income — and that is going to be the basic ambition, to get out from under decontrol, let's put in \$10,000 worth of renovations per unit, therefore legitimately can charge above the \$400.00 limit, get out from under the decontrol program and then

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not have to worry about all this government paper work any more. That, in fact, Mr. Speaker, is what I suggest is beginning to happen right now and under the legislation there is no way of controlling it.

I would think that there would have to be amendments under this bill to deal with the question of involuntary vacancies caused by renovations to ensure that, first, there is a continuation of a control program afterwards for a certain period of time; and secondly, that the tenants who are vacated as a result, have first call or first option at rent under the control program. In other words, if an owner is going to try to use the mechanism of saying I am going to renovate and therefore get decontrolled, it seems to me the obvious solution would be to say that the tenants affected have first option back into those units at a controlled rate of rent. That will substantially take away the incentive to use that particular form of dodge out of the Rent Control Program. So, Mr. Speaker, I think that we will certainly need an amendment of that kind to control in that area.

We will also, Mr. Speaker, need some form of assurance or guarantee from the Minister about the assistance that will be provided to tenants to contend with the owners' applications for decontrol. One of the things that was very apparent during the administration of the previous Rent Review Agency, was that in many cases the tenants worked at a substantial disadvantage, that the rent business is a pretty complicated economic business. You need some very highly-skilled professionals to look at the books, to consider all the cost factors, to do the accounting features, and that many tenants, particularly those on lower income without those sophisticated skills, are not in a position to provide for equal bargaining or equal representation before the Rent Review Agency. What happened in many cases was that tenants were confused. They didn't know exactly what their rights were and there was very little assistance provided by the previous Rent Review Agency because it wasn't fully staffed and didn't have the resources to do that. Therefore, what happened was that there tended to be an inequity caused that those tenants who were well-educated, skilled, could form themselves into an association, hire a lawyer, go before the Rent Review Board, make their case, tended to be able to leverage better treatment for themselves than older tenants, less well-educated tenants, lower-income tenants who didn't have the same kind of protection, didn't have the same ability or command upon resources to go before the board.

Now, this whole system in this bill is established on the basis that there is a kind of adversary relationship: owner makes application for decontrol; tenants provide for an alternative, argue, against or present their cases to it. What I am suggesting is that will be an unequal bargaining game on the grounds that many tenants . . . because they won't be able to offer it. Now at the same time that that system has been set up, we have also had recommendations, and I think in fact they have been implemented, that the Attorney-General has approved of the fact that the Legal Aid Society would no longer be allowed to provide assistance to consumer interest groups for representations in front of regulatory agencies. That was one of the few resources that were available to tenants, which were lawyers from the Legal Aid Society who did a very valuable job in assisting people. They have now been told they can't do it any been cut off from that particular service.

So here is the Minister of Consumer Affairs setting up a program that relies upon a certain degree of support and resources available to tenants, and at the same time one of his colleagues has agreed to or okayed the elimination of that service. Now, Mr. . Speaker, that is a contradiction and I think that the Minister of Consumer Affairs has to contend with it. I think that the Minister of Consumer Affairs is a fair man. I think that he attempts to approach problems. I think he recognizes that he is now creating a non-fair situation. Unless he is able to sort of convince his colleagues that the rescinding of the ability of Legal Aid to provide support in these circumstances is warranted, then he will be creating an unfair situation. I think he has to begin to provide some guarantee very shortly and very quickly that that should be provided.

Another problem, I think, Mr. Speaker, that you have to face on the way that the decontrol has been introduced, is on this question of decontrol occurring as soon as a tenant vacated. In some recent studies that have been done in conjunction with the City of Winnipeg that some of my staff at the university have been involved in, it shows that the incidence of movement of lower-income tenants is substantially higher than those on middle or upper incomes. In other words, the lower-income tenant is forced by a variety of circumstances, mainly economic, to move much more frequently. Therefore, they will be the ones most susceptible to the decontrol program based upon voluntary vacancy. Again we're sort of providing a discriminatory program because in fact what we are saying is that the tenants who, for reasons totally unrelated to their rental situation — job problems, economic problems, family problems — they are forced to move at a much higher rate than tenants in upper or middle-income positions. It will be, in fact, the units available to lower-income tenants will become decontrolled much faster than those available to those with higher incomes.

So, again we're going to be creating a program that leads to unfairness, that leads to discrimination. Now it's a conundrum, I think, that the Minister is going to have a solution out of.

The Member for Transcona is right when he said that part of the answer is to supply units for those tenants, and under the new federal program, we haven't yet heard how the province intends to do that. It would seem to me that one of the obvious ways is sue the non-profit mechanism, because the new features of that program provide major financial incentives to get a number of private organizations, churches, trade unions, community organizations, to begin sponsoring housing in this area. But they will need substantial support from the Provincial Government, primarily in the provision of land, and primarily in the provision of technical resources to initiate the housing. And neither one of those measures have yet been proposed by this government, but if the Minister of Consumer Affairs continues on his course of action, which is to provide for decontrol after voluntary vacancy, then that will lead to a substantial decontrol within the lower income housing area, without any alternatives being provided.

And again, I would suggest substantially, Mr. Speaker, as part of a general rental housing program, that he had better sit down with his colleague, the Minister of Housing, pretty quickly and put into effect those programs so that some housing can be started by this fall under that new program. If those programs are not initiated by this fall, we are going to have a substantial time lag, and in fact, Mr. Speaker, looking at the numbers, we have been building on an average of about 2,400 rental units a year since about 1972, I guess it is — it was substantially lower than that before that — that is just the basic minimum we need to maintain a supply for the renewal of housing. It doesn't provide any substantial improvements. If the Public Housing Program which last year accounted for some 700 or 800 of those units has been cancelled, I expect that there will probably only be some 200 to 300 units of public housing supplied this year. There will be a substantial shortfall in the supply of housing coming on stream within the next six months unless there are major steps taken to accelerate that supply problem, which means that by next spring, there will be a substantial shortfall, and we will be again in the problem we got to in 1973 where, when public housing was cancelled or basically shut down in 1973, where there was virtually no family public housing built for about a two-year period, we went through a shortfall which we're still trying to compensate for. Because housing is such an expensive item and a fixed item, as soon as you run into a shortfall item, it takes three or four or five years to catch up to it.

Well, that is the exact kind of condition that we're creating right now. We are creating a shortfall situation, because there is no alternative or compensatory programs being supplied by the Minister of Housing, and that will put increasing pressure upon the rental markets that the Minister of Consumer Affairs is trying to cope with in decontrol.

The other regret that I would like to mention, Mr. Speaker, is the way in which the government went about this revision of the Rent Control Program. I think it would have been much more satisfactory if they had followed the example of their political confreres in Ontario which, once they recognized that the anti-control program was being phased out and that this would have some bearing upon what to do with rent control, the Government of Ontario established a Committee of the Legislature, a bi-partisan Committee of the Legislature, which reviewed the total rent situation, undertook hearings from a variety of organizations and groups, and has tried to deal with the question on the basis of coming forward with recommendations that would be acceptable to all parties. In other words, they began to approach the program on the basis that this was not something that could be necessarily handled in the normal way of confrontation across the Legislative floor, but in fact should be handled on the basis of working out the best possible program concerning the advice and recommendations from both the public and private sector, allowing the landlords and the tenants to come forward with their proposals, allowing different parties in the Legislature to make recommendations, and having the legislators themselves try to work out a program that would be acceptable and workable.

Now, Mr. Speaker, we have not approached it this way; we simply had an announcement and a bill, which I think we have demonstrated has substantial inadequacies to it, and furthermore, has not worked out any way of dealing with the wider issue of rental housing and as a result, I think we have a weaker program, as a consequence.

It would have been, to my mind, Mr. Speaker, much more important in this very critical issue of rental housing if we had finally addressed this issue with some seriousness in this Legislature; that we haven't really ever sat down and I don't think any government has been able or been prepared to come forward with a total rent-housing program in the Province of Manitoba. We have always attacked it on the basis of doing bits and pieces of the program. It's now time, I think, that we did tackle it with some seriousness, and it may be, Mr. Speaker, that the requirement of the government, even after this bill is passed, would be to initiate something similar, because I consider that the problems of rental housing to be just as critical as family law, to be just as critical as farmland protection, to be just as critical as some of the other areas in which we have set up Legislative Committees to review the process and to come to grips with it.

This bill, Mr. Speaker, will satisfy no one. It will not satisfy the owners of the apartments who have already raised their objections, it certainly doesn't satisfy the tenants and it is not really a

bill that answers the problems. It is at best a very temporary measure which will result in substantial and numerous kinds of difficulties, and it would seem to me, Mr. Speaker, that in order to anticipate and cope with those, that we need to tackle the problem in a total way, and get members of this Legislature using their abilities and their intelligence, and borrowing and requesting the same kind of contributions from those in the housing field, both tenant and landlord, and builder and supplier, to come forward with what should be a proper rental housing approach in the Province of Manitoba. It would be refreshing, frankly, Mr. Speaker, to take that approach, because I think it's desperately needed.\$

Finally, Mr. Speaker, I'd like to make some comment about the administrative regulatory part of the machinery. In looking very carefully at the administration of this particular program, one has to go back to an old standard formula, I guess, that any political scientist would be able to supply, and that is that in many cases the effectiveness of a program is as much determined by the machinery of implementation as it is by the legislation that's written for it. I think it's fair to say, Mr. Speaker, that one of the problems and difficulties with the Rent Stabilization Program in the Province of Manitoba, was the machinery that was set up to implement the program. It was not effective machinery, and there were many gaps and absences and omissions. There was absolutely nothing done to monitor the whole question of maintenance, that part of the legislation remained a total dead letter. There was obviously some major confusion in the guidelines that were applied, and that only had to be demonstrated by the kind of court cases that we had to go through where it was being challenged, because there wasn't a very clear delineation of exactly what was required.

I think, Mr. Speaker, the way in which the administrative machinery itself, the staffing of it, was applied, because it was a temporary arrangement, led to a lot of difficulties. There was an enormous turnover, I think the turnover was something like 30, 40 percent a year, which meant there was absolutely no continuity in the program. So, what we could say is one of the problems that we could attribute to the past program was the kind of administration of the program. I would say, Mr. Speaker, if that was a problem previously, you ain't seen nothin' yet, because one of the primary requirements in terms of this legislation is to have a finely-tuned, highly skilled, very carefully designed administrative machinery.

There was, I think — I could be corrected — in Phases I and II of the original Rent Control Program something like over 1,000, 1,200 applications, which took eight, twelve, sometimes fourteen months to administer — in some cases, the court case has just been resolved after four years. Mr. Speaker, you're going to have substantially more applications under this legislation than you had under the previous application. There are going to be all kinds of representations being made to the Rent Control Board and to the Rentalsman, because there is a confusion as to who do you go to under this Act. If it's a matter of voluntary vacancy, do you go to the Rentalsman or do you go to the Rent Review Board? The phones are going to be ringing off the hook and I would suggest, if nothing else, Mr. Speaker, the Minister better go back to get some supplementary Estimates to provide for about 20 additional phone lines in the Rentalsman's office and the Rent Review office. Because there are all kinds of unanswered questions about how this is going to be applied, and once the owners — once October 1st starts coming — and the owners start coming in under applications based upon voluntary vacancy, based upon the \$400 rule, based upon new building sites, and the tenant follows, saying "Now what do I do? How do I respond? How do I get the applications out?" There is going to be a major administrative nightmare to cope with. And I agree with the Member for Transcona, at the present moment I can't see the complement that we have in front of us being able to cope, neither in the design of the machinery or in the nature of its personnel or staffing. I don't mean by their abilities, I just mean in the limitations on the numbers of people involved.

For example, who is going to monitor this whole program? The Minister has given several assurances in the House that they are going to monitor rent levels, they are going to monitor maintenance standards, they're going to monitor landlord behaviour, and yet there was no provision, under the old Rent Review Agency, to have any monitoring staff. They didn't do any monitoring, Mr. Speaker, there was no one in that staff responsible, as we originally asked for when the bill was introduced, to do a proper information program, to make sure that there was, on a quarterly basis, statistics supplied as to what the rent levels were, what the applications were, and so on. The reason there was none of that supplied is that there was no staff involved in doing it; it was always, they had to borrow from somebody to come over and say, "Let's get some figures together." Well, Mr. Speaker, there is presently no staff available under the new administration, so all those assurances that the Minister has provided about monitoring and information and keeping an eye on things, I simply ask him the question, who is going to do it? Where is he going to get the personnel? Is he going to borrow from some other part of his department? Is the Consumer Bureau going to devote 90 percent of its time to the monitoring of the decontrol program? Because, if they're not going to do it, and the Rentalsman's office isn't staffed to do it, and the Rent Review Board isn't

going to do it, then we're going to have to rely upon some form of divine ordination. The Minister is going to have to rely upon a burning bush to appear weekly, you know, sort of enlightening him as to exactly how the program is working. And I don't think, Mr. Speaker, this government has a particular contact with divinity at this present moment in time. They're not apt to give them much information — you know, if they're looking for that as their source of information, I think we're going to be out of luck.

So I simply ask the question, all those guarantees that were given are suspect because there has been no demonstration that there was any ability to implement them. There is going to have to be as well, Mr. Speaker, within the application of this Board, some very clear and precise guidelines set out as to the nature of the hearings. I attended and I did a rough count during the rent review period, some 40 or 50 hearings on the rent review applications, mainly as an observer, and the nature of those hearings, the quality and conduct of those hearings, if you put them on a scale of zero to ten, range from zero to ten, some of them were exemplary. The officers involved were fair, good information was provided, it was well-conducted, and I think that the people who came before the hearing got a square deal. Others were absolutely abysmally horrible; I mean there was confusion, the officer in front of the Board didn't know the legislation as well as some of the people in the audience did; there was total lack of information supplied, and the people who went to that hearing got a raw deal.

Now again, there has been nothing established, as far as I can see, by the Minister, that would provide a very clear code of conduct for the holding of hearings under the decontrol program, to ensure that there is fairness on both sides, to ensure that the officers holding the hearings will fully understand and be trained, and that there will be guidelines set. I attended several rent review hearings under the previous program where the request was made repeatedly to the officer in charge, "What guidelines are you working on?" and there were no guidelines provided until, I think, the program had gone into about the its second year of application.

So, Mr. Speaker, these are all kinds of difficulties that the Minister is going to have to cope with, which I sympathize with. Because what I'm afraid of is that the more we torture this problem of dealing with rental apartments, the more we're going to poison the atmosphere. That one of the things that is important, I believe, in the rental situation is a degree of trust and some degree of confidence between owner and tenant. You know, there is a certain value to having a kind of confidence built up between those two partners to the contract. The end result of a lot of the legislation, the way that the program has gone on before and has gone on now, has been to badly sever that relationship, to distort it, to break down that confidence, so that they have now become sort of competing warriors.

MR. SPEAKER: The honourable member has five minutes.

MR. AXWORTHY: Thank you, Mr. Speaker. And I think, Mr. Speaker, that that particular relationship has to be rebuilt. It has to be corrected in order to make the rental situation survive in this city.

So, Mr. Speaker, I would say that if we don't tackle that administrative headache then we are simply going to further exaggerate the kind of difficulties and acrimony and antagonisms that are growing up, rather than allow them to recede and to return back to a more effective and a more compatible relationship between landlord and tenant.

Frankly, Mr. Speaker, the answer does come down to I guess a sermon that I have addressed many times, and that is that we do need a proper rental program in the Province of Manitoba — one that covers all bases. One that covers a supply base, which has not been covered; one that certainly covers the "income base" — if I can just put that in parentheses. Why we need that income support or income supplement is that if an apartment is decontrolled and somebody who can no longer afford it is beginning to pay more than 25 percent of their income for rent and is forced to move and, because they are moving, is going to have to move into a decontrolled unit, you are going to simply create an enormous hardship on that tenant, which can never be repaired.

So without the supply program; without the income program; without the administrative program and without a maintenance and servicing program, then we are really in danger, Mr. Speaker, of putting the final blow to what is already a very sick and very frail and feeble aspect of our economy and aspect of our community, which is rental housing.

I don't know, Mr. Speaker, how many members of this House are just fully aware of just how serious the problem is. It is serious from the public sector side because we are increasingly forced into higher and higher expenditures, for which I think there is good evidence that we receive less and less effect for our money. What is the average now in public housing? Is it \$250 monthly subsidy for public housing, on an average? Plus the write-down on interest rates, plus the tax shelters. There are more subsidy housing programs, Mr. Speaker, than there are letters in the alphabet and yet we still have a very sick rental market. Therefore, Mr. Speaker, I think the end result of this legislation

will be to further develop that illness to the point where it may become fatal.

Mr. Speaker, in conclusion I would simply say I do not agree with the legislation and will not vote for it because it's not satisfactory and it doesn't have all the requirements that are necessary. I say that one piece of legislation in itself is not sufficient; we will need several pieces of legislation and a full rental housing program before any rental control program is able to work. It is only part of the puzzle, and until we put the other pieces in place we are going to be in serious difficulty in this province.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. LEN DOMINO: Thank you, Mr. Speaker. The Rent Stabilization Act was first introduced in 1976 and, according to the New Democrats at that time it was a temporary program and was aimed at complementing the Anti-Inflation Board activities.

Since then, and during the course of the last election campaign, some members of the New Democratic Party attempted to shift position a little bit on the issue and they claimed that rent controls were more of a long-term facet of their program and that they were indeed aiming at protecting the tenants when rental accommodations were scarce and that rent controls would be kept long after the antiinflation controls were finished, and that this was indeed a good reason if you were a tenant to vote for the ND Party and not to vote for a person from some other party.

But I think the record shows clearly what the intentions of the previous government were, and just so there is no doubt in anyone's mind at all, let me quote from the afternoon session of May 10th, 1976, the former First Minister in response to a question from the now Finance Minister. "Mr. Speaker, there was never any question about that, that the matter of rent control was tied in with the matter of anti-inflation guidelines in Canada. This is a necessary part of that program, and our commitment is with respect to the period of that program." Just so we establish that fact first, that indeed when this program was brought in it was meant only to act in co-ordination with the Anti-Inflation Board.

Now, during the election campaign in my constituency there were certain people who tried to distort that. It happens that in St. Matthews constituency approximately 50 percent of the population lives in rental accommodation, so there is room for distortion and there is room to scare people. People were given letters and canvassers told people at the door that if you voted for Len Domino, or if you voted for the PC Party, that what you would be doing is assuring an increase in rents and that you would be voting for a man and for a party that was about to play into the hands of the landlords.

The Member for Inkster says they were right. I think they were wrong, and thankfully most people in my constituency agreed with me that they were wrong, because they, in the end, cast their vote for me even though threatened with this sort of blackmail.

Mr. Speaker, I responded at that time with a letter to all my tenants, and let me at this time read part of that letter because it makes my position clear, before the election. I think it made the position of my party clear at that time, and I think this legislation which we are now considering is a clear example of our keeping our promise, of our attempts to meet both the needs of people who are tenants, and also to respond in a way to the market economy, so that we can encourage, if possible, private construction of rental accommodation. The letter went: "I am writing you this last letter before the October 11th election to tell you a few facts about a letter you received recently from a group calling itself The Manitoba Tenant Association for the Retention of Rent Control.

"There is no such organization. The letter was sent out by two full-time, paid political organizers. The organization they invented for the purpose of sending you the letter has no members, has never had a meeting and represents nobody but the two paid political organizers who sent the letter. That's just not very honest politics, but I thought it was important to write to tell you so you weren't fooled, and to tell you also what our Progressive Conservative position is on rent controls.

"We believe rent controls should stay as long as the rest of the Anti-Inflation Program is in force. It wouldn't be fair to ask people whose incomes are controlled to rent their homes in an uncontrolled rental market.

"And we believe further that when the controls are finally removed there has to be careful monitoring of all increases to make sure no landlords try to make up for the lower profits he or she made while the controls were in force. That would just undo the good we have achieved in fighting inflation to this point."

There is no need reading any further from the letter, Mr. Speaker. I think it's a fact, and most people who have any training in economics would agree, that in fact rent controls cause shortages and ultimately they cause the prices to be driven up, as no new units are built to replenish the old ones, which are taken out of circulation because of rezoning or old rental units become dilapidated. Virtually every economist — probably with the exception of the Member for Inkster —

every economist in the field supports this view.

I would like to quote from the Swedish economist, Economist Myrdal, himself who is a —(Interjection)— I don't think you could consider him a member of the Chicago School of Economics, at all; he is a proponent of the socialist state. He is 82 years old, but this was written some years ago.

Let me quote what he says about rent controls. He has had a long experience viewing rent controls as they affected the situation in Sweden. The Member for Fort Rouge, who mentioned that this gentleman was 82 years old, probably also is aware of the fact that in Sweden they had rent controls for a number of years, and in Sweden it was the tenants' association who were instrumental and who led a five or six-year fight to have rent controls removed. The tenants' association, because they there have a national tenants' association, which is a real association and very active, and they wanted rent controls removed because they said rent controls in their country were causing a shortage of rental accommodation and a lack of choice and were freezing people into staying with the same apartment year after year.

Let's go back to what this economist said. He said, "Rent control has, in certain western countries, constituted the worst example of poor planning by governments lacking courage and vision."

I could quote further from a man called Professor F.G. Pennetz of the University of Aberdeen, an economist who works in the area of housing and who has written a lot in the area, and he concludes in one of his articles, "In every country examined, the introduction and continuance of rent controls, restriction and regulation has done more harm than good in rental housing markets."

Maintaining rent controls in Manitoba is not the answer. It's not the long-term answer, at least. We have to find other ways to stimulate, if possible, private accommodation and private rental accommodation. —(Interjection)— The Member for Inkster says why not public, and I think there is a place for public housing. I think that at a certain economic level certain people in our society will need public housing, and I personally am not against public housing. But I do not want to see the situation devolve to the point where the only kind of housing available is public rental accommodation. I think there has to be room, and this government also has to consider encouraging private rental accommodation. I think the past policies of the previous government would have resulted, over a period of years, in there being available only public rental housing, and that's not a satisfactory solution to me. I think we have got to look for other solutions.

Now, we know that rent controls are difficult to remove. They are not good. They are not good for the people they purport to assist — the low income people — and not good for the economy and they are very difficult to remove because an emotional argument can be made against removing rent controls, once they are in place. I suggest that the comments made by the Member for Transcona are the reason they are hard to remove. They are the same kind of distortion of the facts that we found during the election campaign.

When you have rent controls, the market becomes distorted and you find that you have economic frustration caused to landlords and builders, who can't get a fair return on their dollar invested and simply refuse to build private rental accommodation. It's a similar situation to when earlier we talked about the mixed economy. Members opposite said, "Oh, we're in favour of the mixed economy, but yet the record shows that every year they altered the balance in the mixed economy, and they in every year, year after year, they allowed government spending to increase faster than the gross provincial product. The end result would be that you wouldn't have a mixed economy; you would have a totally state-run economy. The same sort of thing happens when you follow policies in the housing market which year after year result in there being large numbers of public housing units created, and the same policies discourage the creation of private rental accommodations. Eventually all you've got is a government-controlled housing market. That housing market's not good for low income people; it's not good for anyone.

Now what the Minister has come up with here, I think, is a very — I don't think it's a solution that we can look at. I don't think it's a long-term solution, but I think it's a solution that opens the doors to future action on the part of the government. In this particular piece of legislation, he has guaranteed those people who are hardest hit by rent increases — the poor and the old — he has guaranteed them a fixed rate of rental on their rented accommodations for this year, as long as they stay in the same building they were in previously. With most of the older people I have talked to, this is a very satisfactory short-term solution because most of them don't move very often. Indeed most of these people have a long tenure in the same blocks and this is one of the reasons they're most terrified by rapid increases in rent. If you've lived in the same block for 20 years and your income has allowed you to live in that block for 20 years, you're very frightened when you hear that rents are going to go up and your income is not going to go up because you are going to have to give up what has been your home over a long period of time. I certainly sympathize with those people and I think the Minister responsible for this legislation, the Member for Brandon West, I think he's also put his actions where his words were. He's combined the two; he's backed it up. I think it's a good piece of legislation.

Now, I fully recognize that we're probably going to have to go to some sort of a system and I don't speak for government policy here. I have no way of knowing what the Minister of Housing and the Minister of Consumer Affairs will be doing. I do know that I'm going to have a say in that decision because it's going to come before caucus and as a member of the government caucus, I have a say. The kind of programs that I'm going to fight for, I think are the kind of solutions that are long-term solutions to this problem, programs that will encourage not only government housing but private housing too for those people who want to, by choice, or who have to, by necessity, seek rental accommodation; programs such as are available in British Columbia where the government subsidizes the rents of individuals, whether those individuals are living in government housing or in private housing, we'd equalize the situation and we'd subsidize certain elements or we'd subsidize people.

Let me, as I understand it, review briefly what the program is like in British Columbia. It is the kind of a program that I'm going to fight for here. In their province, they established that a person should be able to pay, no matter what their income level, approximately 25 to 30 percent of that income for housing. Then the government steps in and if your income is so low that you can't afford accommodation with 30 percent of your income, the government steps in and they subsidize to the tune of two-thirds or three-quarters, the amount of the rent over and above 30 percent of your income. They also, at the same time, establish limits on what price rental accommodation the government will step into. For instance, in British Columbia, I believe it is \$175.00 or \$185.00 a month for a single person; \$200.00 or \$215.00 for a couple. What this kind of a program will do is it will allow, once rent controls come off completely, which I think has to be our ultimate objective in a year or two, it will allow the pensioner and the poor person and the low-income person, it will give them some extra cash so that they can compete in an open housing market, so they can compete with the members opposite and others who have higher incomes.

At the same time, it gives those people a choice because they can take their subsidy anywhere. They don't just have to go to those government housing units; they can go anywhere. If they choose to, they can go into government housing, or they can go across the street and go into an older block that has rooms that aren't all square, maybe some balconies, some nice old character to a block, or they can go down the street to a new block that is just built, if they prefer that. They can take their subsidy anywhere.

Another benefit to a program like this is it infuses some money into the private housing industry. It brings some money in and encourages them to build housing. Another benefit on top of it is, it also tends to keep rents down because landlords want to be able to supply their housing at rates which will fit the subsidy program. So that a landlord knows that if the rental subsidy is established at \$180.00, for instance, for single accommodation, a landlord is going to want to keep his single one-bedroom suite at \$180.00 or less because he knows if he goes to \$200.00, it doesn't cost the person just \$20.00 more, it costs them substantially more because the last \$20.00, in the program is not covered. What it is is an informal — it sort of works as a damper on rents, and it gives the landlord some incentive to keep rents down too. I'm not sure what route the Minister of Housing will finally go but I do know that he is considering all these methods. I have mentioned this to him. I have talked to him. I would like to see him move in this direction.

Mr. Speaker, I don't want to take up a lot of the House's time right now, but I would like to comment a little bit on some of the remarks that were made by the Member for Fort Rouge. I think some of those comments were well taken; I think they were good comments in the sense that rather than attacking the motives of the government, which we so often hear — when members haven't got substantial arguments, they stand up and they say, "Well, the bill looks good in principle, but darn it, I know deep down you don't believe it. So, disregard what the bill actually says, I think you are trying to do something else." They set up a straw man like the Member for Transcona did and they knock over the straw man. The comments made by the Member for Fort Rouge were valid in some cases, I think, because they pointed out where we are going to have some problems. I think the major problem we are going to have in this legislation as it now sits before the House is that some unscrupulous landlords — I would hope very few — but some of those landlords are going to try to abuse the rules by harassing their tenants until the tenants move. So we have got to have protection for those kind of tenants who come forward and say, I'm being harassed.

What I have done in my constituency is I have taken, at personal expense, the effort and time, and I'm still continuing to do it in some areas of the constituency, I'm writing to and I'm contacting all of my tenants and I'm saying, if you are being harassed, if you are being abused, if you think the rules aren't being applied to you fairly, contact me personally and I'll go to the Rentalsman's office, I'll go to the Rent Stabilization Board and I will make sure that when your case is heard that I'll be there and that you will get a fair hearing and if you don't, someone is going to hear about it and it will be the Minister who is going to hear about it. I would suggest that if I have 50 percent of my people who live in rented accommodation, there is no member across and no member on this side who could say the same thing. I have got one of the highest rates. The Member

for Winnipeg Centre might be able —(Interjection)— Okay, the Member for Fort Rouge informs me he has got even a higher percentage so I can see why he is interested in this, because he is going to have a lot of work to do.

Now, I would think that everybody will get a fair deal on this. The Minister has promised us, and I'm sure if it means hiring some more staff, he will. One of the problems we are going to be up against here is that some of the tenants, and probably tenants who are the most likely to be abused, those who are poorly educated, those who have low incomes, those who for whatever reason aren't aware of their rights, are going to have a difficult time. I would urge the Minister to find some funds, if he could, and if he can't, then bring in some supplementary spending estimates even, but maybe what we need, we shouldn't depend on — like the Member for St. Matthews — taking some money out of my own salary and spending it on writing a pamphlet and a letter to people. Some members opposite, I know probably haven't got any extra money from their salary because they have got families to support and other things. I'm fortunate in that I was able to find the cash that's available. Maybe the government should print a pamphlet. I think the government should print a pamphlet and they might even investigate buying some radio and television time, buying some billboards, finding out whatever medium is best at reaching people who are just that sort of an audience — the poor and the uneducated — and making them aware of their rights so that they can complain. I would suggest the first person they call is their MLA because we are not paid \$20,000 a year just to be here for five months of the year. I, myself, and I'm sure the Member for St. Vital who seeks to speak from his seat at this point and I don't want to listen to that, unfortunately —(Interjection)— \$12,000, plus the \$8,000.00. Well, take some of the \$8,000 or \$7,000 we get for expenses, and spend it on informing your constituents.

But I would say that maybe I'm wrong. Maybe it's not the job of the individual MLA. Let's make it the government's job and I'm sure that it wouldn't cost a whole lot and it would alleviate some of my fears and I'm sure it would alleviate some of the fears of the members opposite. It would be a way in which we could demonstrate that we are serious, that we don't mean for the poor and the old and those in our society who are least able to take care of themselves, we don't mean for them to suffer. I certainly don't mean that and in my conversations with the Minister of Consumer and Corporate Affairs, I know he doesn't. I know his motives are sincere. I know this piece of legislation is the best he could come up with. He seeks not to destroy the private housing market. He wants to stimulate more private housing and at the same time, he wants to protect people who can't afford \$400.00 a month for an apartment. He wants to protect them especially in this period of the next two or three years when we haven't yet got a subsidization program and we haven't yet got a surplus of housing.

Mr. Speaker, that's all I really wanted to say. I wanted to make the point that members opposite here, from my conversations with the members on this side of the House, every last member is concerned about those people who have to live in rented accommodation. Not one of us wants to see a single, poor low-income family, or a single pensioner suffer. I think that if the rules we have before us now are applied, and applied properly, the end result will be that we will be able to transfer from a controlled to an uncontrolled market over a period of years and nobody should have to suffer. Thank you.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Seven Oaks.

MR. SAUL MILLER: Mr. Speaker, I just want to say a few words on this bill. Much has been said this morning and it is obvious that everyone who has spoken is concerned. They are concerned because I think they all appreciate and realize that this matter of rent control, of accommodation is one of the more pressing ones at this time. It has been with us for the last three years and obviously is not easy. Even though rents may not be escalating at the same rate as they did in 1976 or 1975, nonetheless the pressure is there, just as it is in new housing. The increase in housing prices has diminished somewhat, or isn't going up at the same rate, but the pressure is still there and of course it will continue because although the desire of everyone, and I know the government opposite has indicated that they would like to see everybody in their own home, everyone who wants to own a home to have their own home. Nonetheless, the lifestyles have changed where rental premises are going to become part of the fabric of our society and more and more people are going to avail themselves of rental accommodation rather than owning their own home. It is not unique to Winnipeg; it is a North American phenomenon, worldwide for that matter.

But, Mr. Speaker, what concerns me here is not that this is an Act to amend The Rent Stabilization Act, you know, it is an innocuous title. It really is an Act to introduce the demise of Rent Control. That is really what it is. I, as others in this House, recognize that rent control cannot exist forever, that there is a negative aspect to it, that you simply cannot sit on the pressure indefinitely, that rent control is a temporary step. It was introduced by us when we were in government at the same time as the AIB was introduced, and it was introduced right across the country at that time, by

every jurisdiction, to cope with the problem of fixed incomes and assuring that rents didn't go out of control.

What has come out of this morning's discussion is that members have correctly indicated, and I think on all sides of the House, that the problem, as they put it, is not one of supply but the problem is rather one of income. What they are basically saying is this, that the investor, the private sector, will not invest unless he is assured what he considers an adequate, satisfactory return on his money. With interest rates being what they are today, a person who has money to invest can invest in bonds and get a very good return. He can invest in short-term bank deposits and get a very good return. So why bother with all the hassles of building a piece of property and trying to collect rent, and tenants who complain that they don't like the carpeting or the air conditioning or what have you?

So we are faced with a problem where, because rental accommodation has been considered in the past a form of investment on which one could get a good return, from the point of view of a straight return on your dollar investment, there are now almost as good ones, and certainly far less hassle involved in other forms of investment.

So it is a problem of supply and it is a problem of income, and I'm not sure the two can be bridged, these two problems, because if you talk in terms of supply, you are talking to the private or public sector in building enough units. On the other hand, when you are talking about the problem of income, you are recognizing that people don't have the incomes to pay the kind of rents that would be needed to make it attractive for the private sector to build, and at a rent which is fully cost recoverable on the units, and a profit as well. This is the dilemma we are facing. On the one hand, how do you get people to build apartment blocks. Even though they do that, if they are going to get enough rent so it makes it attractive for them. How are you going to rent these apartment blocks or these units if people can't afford to pay these higher rents which have come about because of increased costs, as members have pointed out, increased cost of construction, increased cost of services, increased cost of maintenance, all the things that go into the cost factor?

So we have here a dilemma of a need, a recognized need by everyone, and at the same time, how do you meet that need?

Now, it has been said that the former government had a hangup; we were only thinking in terms of public housing. I want to dispel that, because the fact of the matter is there are a few hundred units which were built by the private sector, and through the private sector, through federal programs where MHRC simply took up to 25 percent of the units and placed people in there and made up the difference between the rent that they could afford to pay and the rent that the landlord had to charge in order to achieve full cost recovery. So that the suggestion that somehow we were wedded to only one approach is nonsense.

Now, I make no apology for the fact that I do support public housing, both for the elderly and families, and I support it for a very simple reason, Mr. Chairman. I don't doubt that if the members opposite could get rid of their public housing units they'd probably do it tomorrow, but I do it on the basis, that rather than pay a private individual, an investor, encourage him or give him an incentive so he will put up units — he'll have to borrow the money, the same as the government, but he'll have to borrow it at a far higher interest rate than the government can borrow it. So, why go through a program or process whereby a private individual or a firm is encouraged to build units which the government will then subsidize through subsidizing of rent to people, so that eventually two things occur: Firstly, you are paying a higher interest rate, so therefore your subsidy is greater, your rent is greater, your subsidy is greater. Secondly, the equity accrues to the private individual and in time he acquires an apartment block — 100, 200, 500 units — totally owned by him, which he could then sell at a very nice gain, because these values do escalate, and really paid for by the public purse, because the public is paying for it through the subsidy to the tenant. And frankly, if there's going to be any value, then I say it should come back to the public. Since the public is paying it; it should come back to the public.

And I know it can work. It reminds me of the question of land banking. You know, there were a lot of questions asked about land banking, but if there was any doubt at all about the value of acquiring land, in advance of the market, what has occurred in recent weeks should put that to rest. Inkster Gardens is now going on the market, and could go on the market, I should say, at a considerably reduced price from what other building lots in the private sector are available. This government has chosen another route, and I'm not going to criticize them for it that's their privilege, but certainly they're going to make enough profit on the sale of these individual lots so they can then have money for second mortgages. They have made the money which the private developer would otherwise have made, and the money was there to be made, and Inkster Gardens proved it, because the lots are coming in at around \$5,000 per building lot less, on the average — maybe \$4,500 to \$5,000 less than comparable lots elsewhere in the area. So that it shows, that the government can get involved in development as effectively as anyone else, that there is money to be made on it, and that the money, instead of accruing to a private developer or speculator, is

accruing to the public, and whether the method of marketing it then is through cost, or 10 percent above cost, or through the introduction of a second mortgage financing deal, as this government has done, doesn't matter. The fact is that the job could be done, the program could be undertaken, and the public as a whole benefitted.

And the same in the rental field. Whether it be elderly persons housing or public housing for families, the government can and has built units. Those are rented at a rent geared to income. But I'd rather pay the subsidy to a government-owned property than to the private one, although we have, as I've said, gone, used the private sector, those units built under limited dividend, those units built under the ARP program, those units built through the co-ops, all of those units where they wanted it and they had suites available, were turned over to MHRC, and MHRC rented up to 25 percent of the units for people who qualified because of low income. So, when you have the problem of supply on the one hand, and income, you have this almost irreconcilable problem. How do you get more units, how do you get more units at a cost that people can afford?

And the dilemma is there. At the same time, I fault the government that they introduced this piece of legislation as if this was the whole story. And really, it's only one facet of it. Unless there is massive and continued high level of construction this isn't going to work. It can't work, because all this does is end the control program. It ends the control program as of a given day in 1980, I think it is — which isn't that far away. They are gambling on the private sector. The private sector will not move because the costs today are such that the private sector says it is afraid, and with good cause, that the rents they are going to have to charge are going to be very high. Now, unless the government has this in mind, that as all rents go up, then the gap between the new and the old units won't be that great, they're trying to narrow that. But that simply means that rents will have to go up to the new high level.

So, Mr. Speaker, the problem is that the government is gambling on the private sector, and frankly, the private sector has never, even when housing was cheap and construction costs were cheap and land costs were cheap, the private sector has never, never, never, in all the years, anywhere in Canada, been able to supply low cost housing. They can't — that's not their business. I don't fault them for it, they are not in that business. They are in business to build accommodation, whether for sale or for rent, and make money on it. And people in low incomes or moderate incomes today, medium incomes, cannot enter that market. They have to have incomes of \$21,000 minimum in order to qualify for the normal NHA housing that's built in Winnipeg, and that isn't a large part of the population. In the case of renters, unless their incomes are substantial so that they can afford accommodation on the over \$400 per month category, then their choices are very, very limited. We know that the vacancy rate has gone down, it hasn't gone up, and although we introduced the legislation, frankly, I did not think that this situation would continue as tight as it has for as long as it has, and I was prepared to say, yes, we're going in at the time of AIB, and we'd like to go out at the time that AIB goes out. But that isn't the case. The fact of the matter is that the AIB is coming to an end, although this government, through its Minister of Labour, is telling everyone to ask for no more than 6 percent for wage increases, but that's her own form of AIB; she can't roll back increases.

So that whereas it was hoped that perhaps after a three year period there would be no need for rent control because rent control, as I say, is not the final answer, in the long run it is not the answer. We know that today the situation is that the problem vis-a-vis rental accommodation is as severe today as it was two years ago. The vacancy rates show that. And when we talk about vacancy rates we talk in terms of averages but I'm not concerned with those vacancy rates and I know they're high in the penthouse suites and in units at \$500 and \$600 per month, the vacancy rates are fairly high there but, of course, they affect the overall averages. But in the moderate rental rates, under \$250 or \$275, the pressure is intense. People don't have the option of saying, "Well, if I don't like it here, if he's charging too much, I'll move." They have nowhere to move to. Certainly in the very low-rental areas it is even worse, the pressure is even more intense.

And so I am concerned that what we have here is a bill to end rent controls without an alternate solution, just a hope, it's a wishful hope that somehow the private sector will do something. Now we know that the Federal Government has now introduced new programs — I don't know all the details of them. There are some programs for the non-profit groups and non-profit groups might get involved in elderly persons housing. It's the sort of thing that attracts people, organizations like to do something for elderly people, it's sort of a motherhood thing. But you don't see much in the way of non-profit groups involved in public housing for single parent families, or for low-income families.

MR. AXWORTHY: They could, if they wanted in.

MR. MILLER: Well, the Member for Fort Rouge says you could, but I can tell him, across the country there hasn't been too much success on that.

MR. AXWORTHY: YWCA wants to get into it right now.

MR. MILLER: Yes, I know, he can always give me an example of somebody who can, or may, or wants to. I'm talking about hundreds and hundreds of units. If you want to build 800 or 1,000 units a year, you can't do it by some organization may want to build some public housing.

MR. AXWORTHY: They're doing it in Ontario.

MR. MILLER: And he gives Ontario. I can tell him that in Ontario the non-profits haven't been all that successful in building many units either. —(Interjection)— But, Mr. Speaker, if he'd stop chirping behind me I might be able to address you. Thank you.

And I say to the Minister, who I know is very sincere in trying to achieve something and I know he feels that this is probably the best he can come up with, but if I have a criticism of him it's not because of what he's doing; it's because his Cabinet colleagues have let him down. They have let him down because they have not done anything for the other side of the coin because it's all, you know, there's two sides to a coin. On the one hand, moving towards some form of decontrol may make sense under certain circumstances, but those circumstances don't exist today. We don't have a strong building program going on in Manitoba. The Provincial Government has pretty well backed away from public housing. Reference was made to an ad in the Saturday Press about the sale of lands, and these are not acreages, these are building lots and very good building lots, Edmonton and Cumberland and East Kildonan. I know there's enough for some duplexes and also for an apartment block and these are in built-up areas. You know, there's been talk that what we have to do is bring people back to the old city, that we don't want to keep extending outward into the suburbs because the cost of extending sewers, water lines and services are very expensive.

MR. SPEAKER: Order please. The hour being 12:30, when this item next appears on the Order Paper the honourable member will have 22 minutes maximum time left.

The hour being 12:30, the House is accordingly adjourned and stands adjourned until 2:30 this afternoon.