



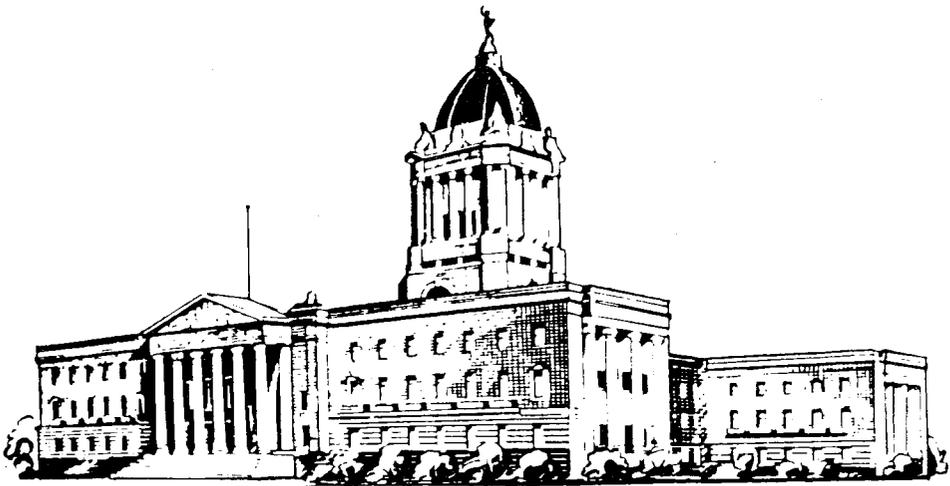
Legislative Assembly of Manitoba

HEARINGS OF THE STANDING COMMITTEE

ON

LAW AMENDMENTS

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



10:00 a.m., Thursday, April 8, 1976.

THE LEGISLATIVE ASSEMBLY OF MANITOBA
STANDING COMMITTEE ON LAW AMENDMENTS
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Chairman: Mr. William Jenkins.

MR. CHAIRMAN: When we adjourned the other evening, I called out the last ten names and there were three people who were here at that time, I think we should hear those people this time. Mr. Ray Massey. You can proceed if you like, Mr. Massey.

MR. MASSEY: Mr. Chairman, members of the Committee, ladies and gentlemen, this brief is not a lengthy one as previously presented to you.

This brief is not as lengthy as ones presented before you, not because I am not concerned as those who presented them. However, I feel that it is unnecessary to repeat the opinions which I share with those expressed in previous briefs. I make special references to those submitted by the Winnipeg Real Estate Board, the Manitoba Landlord Association and Lakeview Properties Ltd. with whom I share the same concern.

Our position is similar to that of Lakeview but on a smaller scale. My company has owned certain rental properties for several years. The properties were acquired when revenue properties were deemed economically feasible, providing a form of investments which, although not as lucrative as securities such as Canada Savings Bonds, provided assets which could weather some economic turbulence.

We took ownership of these properties under the assumption that rental income would offset the operating expenses and generate sufficient cash flow to receive some earning on cash invested.

This assumption has proven false, since after paying property taxes, utilities, replacement reserve, debt servicing and other operating expenses, we are in a deficit position. This deficit position is prior to any consideration for a fair return on cash invested; we now simply hope that we can eventually break even.

Owning and administering rental property is only a portion of our total business transaction. From our own experience, we cannot infer that anyone could gouge the renting public. Indeed, we would be exaggerating by speculating that one percent of property managers gouge. However, if gouging does in fact exist, why should the whole industry suffer through this type of legislation?

We have examined our operating expenses to ascertain why we should be constantly in a negative cash flow position. We personally manage the buildings at no charge and have resident superintendants do the caretaking and also show suites to prospective tenants. We have tried to use our advertising dollar to our best advantage. Our interest rate on the mortgage is 9 percent or less. We therefore pride ourselves in being good managers.

We have a vacancy of at least 5 percent; we therefore cannot increase our rents beyond the level the market can bear. Bill 19 is actually unnecessary and superfluous in one respect because the market place determines rents much better.

You might ask: Why do we remain in the revenue property business? The last project we built to retain as revenue bearing property was built in 1973, approximately three years ago (this should indicate a form of restraint on further investment in the rental market). We have, however, retained our rental property until now on the basic optimism that things will improve and that these properties are a form of estate planning. The Bill presently before the Committee destroys that optimism.

As a citizen, I am concerned about the effect this legislation will have on our society.

Certainly some property owners whose sole source of income is rental units will be forced out of business. Certainly the market for purchasing rental accommodation units and building these units is now, and will become, increasingly scarce - if not completely void.

As a concerned citizen, I pose the question: Who will undertake to fill this void? Who will meet the demand for rental accommodation?

I am afraid that these questions have only one remaining answer: a socialist oriented state.

(MR. MASSEY cont'd)

Furthermore, we are presently experiencing problems in the economic feasibility for providing shelter for the low income groups. Subsidization of one form or another is taking place. This bill will have the effect of preventing private investment and expertise from taking part in future development.

The bill was proposed to protect the tenant from the landlord. The public in general seems to accept the landlord as a necessary evil and considers him to be more or less a bad individual. This has come about by the fact that the landlord is made a collector of taxes, and utility bills, insurance, debt servicing, and all related costs incurred, in essence, all on behalf of the tenant. He has no control over these costs. In fact, even before Bill 19 is given consideration, we are already almost fully controlled by one form or another. However, there appears on the scene what we hear so much about: the landlord who is a gouger. I have asked tenants, government officials, income tax auditors and fellow building managers if they can on a confidential basis point out a gouger. I personally do not know of this landlord, and to date no one has been able to point one out to me. After weeks of listening to briefs and questions, I still have found no gouger, and I wonder who are we trying to protect these tenants against? Really, what is the purpose of this bill, if no one can point out a gouger?

The gouger cannot exist because we are forced by the Rentalsman to keep the premises at a reasonable temperature, keep appliances and all equipment functional, remove garbage and maintain the building and grounds in a reasonable manner, et cetera. So there is no way out on that end. If we own or purchase a poorly constructed building, we pay the price of drafty windows and doors and other heat loss. Bad maintenance also increases our losses, and so there is no way out on that end either. The Bank of Canada, and the bond and mortgage companies dictate the cost of financing the building. Everyone has costs to manage a building. These costs vary very little from one building to another. Therefore, if we are at least 90 percent controlled, there remains only one kind of landlord who could then be considered by some to be a gouger.

That must be a landlord who either inherited, built or purchased a rental building many years ago, maybe even fifty years ago. This landlord took a major financial risk and has made endless sacrifices by giving up his freedom in the evenings and weekends and has maybe even suffered health problems through the anguishes of being a landlord. He is now in a position to reap some of the benefits by being independent through financial security and not depend on social welfare.

Tenants who live in a building for many years and have seen the rents go from probably as little as \$50.00 to as high as \$250.00 per month are annoyed and may call the landlord a gouger. Should this landlord be brought to task for his behaviour, a committee might find that unknowingly his rents are less than for other comparable accommodation and that the tenant is in effect being subsidized.

I suggest to you that a landlord in our free enterprise society has no means of really gouging the public and that this individual does not in effect exist and so only in the fabrication of the tenant and the politician.

I am making the following recommendation for your deliberation because the complaint of a tenant concerning a rental increase has to be attended to by someone independent.

The Rental Review Board should consist of a tribunal which should be appointed with (a) a representative from an independent auditing firm (b) a government official such as the Rentalsman (c) a representative from the Manitoba Landlord Association. A complaint brought before the Board should consider all the facts, not merely those of the tenant.

I am concerned about the future of our society and therefore ask you not to carry through with this unjust and inequitable law and not destroy our remnants of a free enterprise system. I thank you for having had the opportunity to present this brief to you.

MR. CHAIRMAN: Thank you, Mr. Massey. Mr. Turnbull.

MR. TURNBULL: Mr. Massey, in going over your brief - and I followed most of it as you were reading it - I did not see, nor did I hear you mention the word inflation, and I was wondering, seeing as Bill 19 has been introduced primarily as an anti-inflation measure, whether you don't think there is an inflationary problem in Canada today.

MR. MASSEY: The reason I haven't said too much on that subject is because it has been taking up more or less 50 percent of the time and it is a tremendous problem in the land, and I think that the committee should be aware of the implications of it by now, because we certainly are, and we have no other choice as I have said in here, that we are already 90 percent controlled, at least 90 percent controlled, you know, we have really very little to say in the matter of inflation. We just have to pass it on; we're collectors.

MR. TURNBULL: With regard to your statement that people who appear to be gouging don't exist, what would be your reaction to the Rent Review Board, if it did find individuals who were gouging their tenants, that is increasing costs far beyond what were justified by costs, what would be your reaction to the Review Board publishing the names of such landlords and the rental accommodation that they operate?

MR. MASSEY: Well, if it went through all the various means of determining this, on a fair basis, and, I suppose it maybe even carried as far as a court of law, I would think that then it would be public knowledge that this had come about, and that there should at that point then be some kind of means of controlling this party.

MR. TURNBULL: So, what are you saying then - that the names of gouging landlords should be made public?

MR. MASSEY: I think after it was considered by a court of law I think that it would be quite obvious that he was now guilty of this act.

MR. TURNBULL: A court of law. That would mean then, that the Review Board - the Act should be altered first of all; and secondly, that any landlord who wanted to justify his costs and get rent increases to cover those costs, would then, the way you're talking now, have to go to court to do that; and I would have thought that landlords, because of their experience in the Landlord and Tenant Act, want to do as much as possible to avoid getting into court, that they regard the court procedure too time consuming and too expensive.

MR. MASSEY: I think, also, that if this party was a member of one of the associations, the HUDAM Association or the Manitoba Landlord Association or Winnipeg Real Estate Board, that their own committees would put this man to task, because none of these organizations really are of this type of operation, they do not condone this type of membership.

MR. TURNBULL: Mr. Massey, on the last page of your brief, you say this: "A complaint brought before the Board should consider all the facts, not merely those of the tenant." Do you relate that sentence to any particular section in the bill?

MR. MASSEY: No, I don't. I say this because a person can inherit - believe me, I haven't inherited anything, so I wouldn't know that end of it - but, I mean a person could inherit something that is good property and has been held because it's a very good location and a very paying proposition, and so therefore, he holds this property, and he realizes the rental bears the economic rent that he's asking, and he is filled all the time and he could be doing quite well at this, having it paid for and so on. But at the same time what does he do with the money? If he's doing so well he's probably going out investing it in some more rental property which could be a lemon, and nobody hears about those. They only hear about the one that is an absolute peach, you know, and no one hears about the lemons. And when this complaint is going to come in, it's going to come on the one which is a real peach of a building and the one that is a lemon, nobody is going to hear about.

MR. TURNBULL: Mr. Massey, I don't know if you've been attending all the hearings, but while I've been here, and I've been here for all these hearings, and still all I've heard about are the lemons, I haven't heard about any of the peaches.

MR. MASSEY: I don't think there's too many around . . . when we're being totally controlled by other bodies, I don't think there are too many real profitable buildings around.

MR. TURNBULL: That's all, Mr. Chairman.

MR. CHAIRMAN: Any further questions? Hearing none, thank you, Mr. Massey. Mrs. Anne Ross, Mount Carmel Clinic. You may proceed any time you're ready, Mrs. Ross.

MRS. ROSS: Thank you. First I would like to introduce myself. My name is Anne Ross, I'm the Executive Director of the Mount Carmel Clinic; but I want a further introduction, I'm rather neither fish nor fowl, I'm neither a landlord, I can't be, I'm neither a landlady, nor do I represent landlords, nor am I a tenant, I'm a homeowner. I would also like to beg the indulgence of the chair, I'm sorry I didn't address you initially, Mr. Chairman, Members of the Law Amendments Committee, Ladies and Gentlemen, I have had to amend my brief considerably since last night. Now as you know, we all, most of us, didn't get home until about 12:30, am I right? Well I didn't, which left very little time for me to do amending and certainly less time to type, I'm not a typist, so that some of the things I have here you have not got with you, so you will have to bear with me.

MR. CHAIRMAN: It will all be recorded anyway, Mrs. Ross.

MRS. ROSS: Okay. Thank you. After sitting here through two sessions there are several things that came up to my attention forcibly. I witnessed a well organized, well staged and well financed lobby on behalf of landlords. I listened to the trials and tribulations and woes of landlords; those poor people with their overdrafts; their selfless devotion to the tenants; not only do they have financial worries, but some of them act as marriage counsellors, social workers and are engaged in solving problems which beset their tenants. That worried me a little; because I feel they were competing with work that I as a counsellor was doing. Also, I was fascinated with the stories told by these kindly good men who are facing bankruptcy, all of whom have expressed great concern for the poor tenant amongst them. I suddenly felt myself moved by a strange force, like Alice in Wonderland and I landed with a thud in Never, Never land. So I continued to listen and what I heard, like Alice in Wonderland, seemed not to make sense. I wondered why they did not wish, that is the landlords, to have government interfere with them; on the other hand, they advise the government to subsidize those poor souls who cannot pay the kind of rent which is the landlords due. A brilliant idea suddenly came unbidden into my head. I really was upset about the hard luck stories of these working for peanuts to keep tenants happy and content. I was also touched when I heard Mr. Haig speak so movingly of one of the members of his organization of landlords who's practically on the road to bankruptcy, in fact a candidate for welfare. And this idea took shape; the answers suddenly came to me. I wondered why no one thought about it. It was simple, really simple.

These wonderful people who belong to these organizations could start a reserve fund and if one these kindly, gentle people faltered financially, the strong, the successful, the achievers could grasp the faltering unhappy landlord with a strong, firm but kindly understanding affectionate grip, hold him up and whisper in his ear, not to worry friend, we are all in this together. We will lend you all the money you need, no interest of course, to tide you over these bad times. Sort of a self-help group. Why lean on the government? Why allow those politicians to get a vice-like grip on us? I even have a slogan for them. Not original, albeit workable, "together we stand, divided we fall." This is free of charge. I want to serve humanity selflessly. You have to remember I wrote this after 12 o'clock. Many identify the trouble, inflation. I sat up listening intently. Of course, inflation is the culprit. This fiendish fellow is affecting all of our lives, everything is up in price, that's why the poor landlord's in such a trouble. That's what I just heard. You were trying to get that out of this landlord. And why should one sector be expected to bear the brunt of this burdensome, back-breaking epidemic. As I listened, I once again began to lose a sense of reality. What to do about all these nasty costs which are downing all the efficient kindly overworked landlords. I waited for a solution, some magic answers. And here it was, here it was. It was here too just a little while ago. The right of the landlord to pass all these sorry expenses to the tenant. Of course, simple. Those rich tenants with vehicles, two cars and a boat. Surely such people can afford it; all they have to do to absorb the cost, just sell one of those vehicles, that would do it.

While I'm on that subject, I think the gentleman who mentioned this would do better financially if he were to go on TV or radio. I was not amused but he is an amusing fellow, names not mentioned. Perhaps it's time to come down to earth, put some flesh and blood on these absentee tenants, no doubt on a prolonged visit to Florida or maybe to

(MRS. ROSS cont'd) the West Indies. That must be the real reason why they have stayed away from this hearing in droves. Forgive me if I say these things because I felt very strongly when I left here last night. I will now come to the meat of my brief and I shall also quote you examples which come from the clinic files; I got up early in the morning, I don't know how much I slept, and went into the clinic files, and let me tell you, these are real stories. Now I will start my brief.

I wish to speak in support of the Government's efforts to control rents and roll them back, the prices. I believe I said June, it's July.

The Mount Carmel Clinic has a long history of taking action on behalf of people, who, by and large, are so situated that they seldom speak for themselves and so remain voiceless and unrepresented before the decision-makers in this great land of ours, and you saw that happen when you listened to landlord after landlord, lawyer after lawyer.

Our mandate as a health agency, is a deep and abiding concern for the health of people. Hence I am here primarily as a health worker to promote healthier living standards. Health is indivisible. You cannot divide health from the way one lives. Where and how one lives, the house one lives in, has an undeniable effect on health and we see that daily.

I have watched with growing concern and dismay the banding together of various landlords, managers and others with similar vested interests with their high-priced lawyers who are pleading their cases before you.

I have seen and talked to tenants who have had to borrow from loan companies to meet escalating rents, which have been soaring upwards unchecked for the past number of years. And I shall prove that later.

How long can the ordinary consumer, in addition to high rents, carry the ever-increasing burden - higher food costs, higher utilities cost, higher transportation costs - higher everything! As I was driving down this morning I listened to the radio and apparently prices are still going up, and who is the big culprit this time? Rents, higher rents.

And what of the tenants - if taxes go up, it is passed on to them. If utilities go up - the tenant pays. Upkeep of dwellings - passed on to the tenant. And with the difficulties in finding new accommodation, the tenant simply accepts without a murmur whatever is available. And if one happens to be of the wrong color or wrong ethnic origin, then there is a double jeopardy. And, of course, the number of children has the usual bearing as to the type of house or dwelling available. Yes, the tenant is divided, unorganized, powerless and voiceless, and that's one of the reasons I'm here.

A few organizations, no doubt - so far there have not been too many. I understand. I'm glad to see my friend Paulette here - welcome to the fold. I did not have any friends last night; I'm glad I have a few this morning - will speak up, but most individuals are fearful, anxious and frustrated. I read in the press and was profoundly disturbed to learn that one tenant who spoke up about his plight was afraid, yes, afraid, to reveal where he lived and who his landlord was.

As long as people are afraid to speak up on their own behalf because someone else has the power to deprive them of a basic need - a place to live - then freedom is indeed in jeopardy.

As long as people feel helpless and powerless against the well-organized, the well-financed and powerful, then freedom is in jeopardy.

As long as in practice the democratic institutions work for the benefit of the vocal, the affluent, the knowledgeable, then democracy, too, is in jeopardy.

In this era of inflation, when escalating prices have placed untold burdens on the majority of the Canadian people, it is refreshing, indeed refreshing, to see a government concerned enough to take action on behalf of the 'little people', the powerless, the voiceless. And let me tell you that I am not a member of the New Democratic Party. Nor a member of any political party, for that matter. It is time things were expendable and not people. Taking the World Health Organization's interpretation of health - meaning the physical, emotional, social and economic well-being of the individual, proper housing is high on the priority list of well-being.

Mount Carmel Clinic has been intimately involved with people who have been the victims of landlords who shed 'crocodile tears' because their profits may suffer a slight decrease.

(MRS. ROSS cont'd)

We have been in tenants' homes, saw the hovels they live in and the exorbitant rents they pay. And I have some case histories here. I dug them up this morning. We have seen and talked with those who are fearful and anxious, because they know that if they complain or make rightful demands they will summarily be given notice.

We have seen the box-like rooms old age pensioners live in, in fear and trembling that some day when they can no longer cope, they will be given notice. And I have seen it happen - many, many times! Let's compare this with the landlord who was so emotional about his \$80,000 holdings from which he was no longer making the kind of profits that he wanted.

Not only do I work with the people who have such problems, but I have, and do, live amongst them, by choice.

I can point to apartment houses which were considered slums when I was attending Aberdeen School - that's a long time ago. More years than I care to admit to you - Machray and St. John's High School. They are still being occupied by families living in those dark, dank, crowded little rooms.

Landlords have, no doubt made fortunes out of these old decrepit edifices, but they are always rented; for many there is no place to go.

Further to that, about five years ago, the Honourable Mr. Howard Pawley - is he here, Mr. Pawley, no - the then Minister of Municipal Affairs, visited homes or houses with Mount Carmel Clinic staff, accompanied by TV cameras, duly recorded, and saw with his own eyes, the rat-ridden houses, the leaking roofs, the loose-fitting doors and windows, with the wind whistling through these hovels, and I'll tell you the story of some of these. The very dwellings still exist and the owners of these houses have continued to reap unconscionable profits from their tenants.

It reminds me of a little story that was told to me last night by a realtor. I talked about the gentleman who did not have a car, just a truck, and this realtor happens to know him well and knows exactly how much he has and what he hasn't got. He says perhaps you should mention to the people about a landlord who came down to collect rent from the tenants in his Lincoln and he said to the tenants, "You bought me that Lincoln." That's a true story told to me by a realtor. I do have friends in various walks of life. They bring little tidbits for my . . . The very dwellings, as assessed, still exist.

The reasons why rent control should be instituted are legion. I have only mentioned a few. Rent control and rollback of high rents is long overdue. In addition, governments - federal, provincial, civic - must at last heed the dire needs of the people, especially those with young families and make more public housing available to the people of Manitoba.

I would further like to recommend that the Government of Manitoba start buying up old houses and remodelling them so the families who have great difficulty obtaining housing within their means have such made available to them. Since then, after listening to the very little housing that's available, I decided to further recommend . . . one of the things that bothered me was that the possibility of low standards that the Act - I don't know whether it does contain it, I didn't read it, Mr. Minister, Mr. Chairman - that the Act should contain a clause that the minimum services be maintained. Do you have such a clause in the new Act? Is there?

MR. CHAIRMAN: Yes.

MRS. ROSS: Thank you, I wasn't aware. Also, that large scale building program for buying up land, etc., be instituted by the government to overcome the crisis in housing. We feel that rent should be according to ability-to-pay on a sliding scale level. Also, a large scale buying program should be established for families, young people with young families, who are unable to buy homes and need housing desperately. These rents should be also according to ability-to-pay. I would say that this would make possible friendly competition with private enterprise.

Now I'd like to tell you a few stories. A family of seven obtained a 4-bedroom house, there is only one clothesline, the house was very run down and cold due to improper insulation. The understanding was that no repairs would be made and as the family was unable to obtain any other housing they had to accept these conditions. The landlord did not provide any help even in removing the storm windows which were consequently left

(MRS. ROSS cont'd) on year-round. This family lived in this house for almost four years until they were able to obtain decent accommodations through the Winnipeg Housing Authority. You must admit I just sort of grabbed out of a file.

And these are professional people I'm going to talk about, and this was told to me after a satisfactory five-year rental relationship of a single parent family with three children under the age of six - by the way this is a male single parent - the landlord gave one month's notice, no lease was in effect to vacate the house. The landlord wanted the house for use for himself and his aged mother. The landlord resisted all reasoning, but was prepared to accept an increase of a \$100 above the rent the man was paying right now. The tenant, of course, moved out.

Another professional person! When the resident landlord of a lower duplex was out of town on an extended family vacation, the furnace spewed out, you can see his beautiful language, the furnace spewed out an abundance of soot that was carried through the upper level of the duplex. The family renting the upper unit managed to enter the lower duplex by means of an easily removable panel under the stairway. When the landlord returned he accused the tenant of break and entering. After much unhappy bickering, the landlord ordered evacuation: after demanding a 75 dollar increase over the rental, the tenant moved.

A professional couple in their late 20's, living in an apartment block, the street is mentioned, maybe I'd better not even mention the street, I don't know, have received notice that the rent will go up \$70, from \$180 to \$250 per month. This represents an increase of nearly 40 percent. This couple are seriously considering buying a home rather than paying this extravagant rent. However, they don't have the kind of down payment even though they are both working.

Married couple with three children including a very young baby rented the third floor - one of our patients - third floor of a house. There were no heating registers at all. When the baby became sick - by the way the doctor made a home visit and was appalled - and the doctor said the baby needed heat, they had to keep the stove on constantly to provide a little warmth, they were afraid to complain for fear of being given notice.

This is a story of a patient, I'm telling it in her own words. "I'm a patient of Mount Carmel Clinic but I don't want to mention my name as my husband is afraid of losing his job. For 5 years, my husband, our 6 children, and myself lived in a 6-room terrace house near the clinic. The rent was \$140 a month, \$60 heating, hydro over \$20 and the water bill was \$25 every three months, making a total of \$240 per month. There was no light switch in the living room, the plaster was falling off the walls", and I can account for that because we went down there, this is a case history, "the plaster was falling off the walls and the ceilings and the paint was peeling when we moved in. We redecorated it ourselves and the house didn't look too bad but our main complaint was the cold. The house was heated by two space heaters, one in the living room with a pipe leading to the front bedroom and one in the kitchen with a pipe leading to the back bedroom. The other bedroom was not heated at all and the heater in the kitchen was so small it had very little effect. The basement was unheated so in winter the water pipes froze and one winter the oil in the tank froze and we had no heating at all until it thawed. Every evening we sat on top of the kitchen cupboard with the stove on trying to get warm. Plates cracked on the table from the cold. The heating pipes were full of soot most of the time and we had to clean them out ourselves at least twice a year or the little bit of warmth we did have couldn't get through them at all. We put blankets over the doors" - remember I said about the wind whistling through the doors and the windows, and this is no fairy tale, this is exactly what we know exists - "we put blankets over the doors and had to plug gaps in the windows with cloth because it didn't close properly. The electrical wiring was very bad and we had to keep the stoves on all the time for heat so the hydro bills were enormous. The fire inspector by-passed the house at the landlord's request as our very inadequate heating was a health hazard. Icicles formed over the windows, and we had to keep the lights on all the time." Just as she told it to me, believe me, we didn't change a line. Our secretary took it down.

"There were other problems, the whole terrace was infested with mice, we asked the landlord to do something and when nothing was done we appealed to the City of Winnipeg.

(MRS. ROSS cont'd)

They told the landlord he must at least get some traps and he did but the situation did not improve. In desperation I bought some rat poison and put it in the attic out of reach of the children. This helped, but we still had mice. They used to eat towels and bedding and even the children's clothes. Once when my husband was sick in bed, the mice were running across the covers. Every night we could hear them eating the garbage, and in the morning only tin cans were left. I had to get a metal garbage can because they ate the bags." Now if you can't believe that story . . .

This is another professional, this time a single female parent, they were married, separated and these are short little vignettes. This is a case of a young professional woman, separated from her husband with one child to support, who was repeatedly refused rental accommodation by a variety of landlords, and told that they did not want to rent with children. In some cases, this young woman told me it was obvious that children already lived there because toys, bikes, shoes, etc., belonging to young children were around the premises.

Another one: This is also a single professional, that is a separated professional woman rented an apartment being raised from \$85 per month to \$125 per month, a raise of nearly 50 percent for a 1½ bedroom apartment in a house. "The suspected motive," this was her words, "the suspected motive was that that landlord wanted to rent the whole house out to a single tenant and could not legally evict the tenant."

Another little story. "I've had the experience that if I'm not working at the time that I'm seeking rental accommodations, the landlord is reluctant to rent, whether for reasons of attending school or seeking employment, the landlord assumes the inability to pay the rent."

"I've had the landlords ask," another one, "how much I'm earning and if I'm able to afford the rent." And there again, this lady says, "I suspect that it is because mine is the sole income and the landlord might feel I could not earn enough to support myself." These are professional people.

I've been told by my friend the realtor that on Grant Avenue, there have been many cases of rents being raised far out of proportion of the guidelines. Rents, I haven't got it written down here, rents which went for \$190 went up to \$240, sometimes \$250. This I received from another source, from \$145 to \$175, this is not Grant, \$160 to \$175 since last September. For a three bedroom house from \$147 to \$178 in the last few months. This is in our area.

Well, there are two little things I would like to share with you, and I will conclude. "Theft of food on the rise as prices keep climbing. Toronto, rising prices have pushed an increasing number of Canadians to steal food and clothing, a survey conducted by a retail security agency shows. Robin Tuft, the firm's senior Vice-President said in an interview, that people who steal basic necessities have become prevalent in shoplifting cases. Mr. Tuft further said, "I'm not going to read you the whole thing," pensioners made up only a half of one percent of all those caught shoplifting but 30 percent of all of them were stealing food. This survey also showed that 9 percent of the people caught stealing were unemployed, about 90 percent of those were caught stealing food."

I'm reminded last night of some of the 500 million representatives indicated to you that if you are going to go on placing rent controls he will have to, I hope I'm not reading him wrong, terminate building program. Am I right, Mr. Chairman.

MR. CHAIRMAN: I believe that was a correct statement.

MRS. ROSS: Right, a threat. Let me read you this, last night's paper. "Food shortage warning." Remember what I said, things should be expendable not people. People cannot live without food, people cannot exist without shelter. "Montreal. The Federal Anti-inflation Board was warned here that if it tries to interfere extensively in the grocery products industry, Canada could experience a food shortage. G.J. Rae, incoming Chairman of the Grocery Products Manufacture of Canada, told the Association's annual meeting that investments in the food industry will decline seriously if prices and profits are slashed by the inflationary board. Without adequate investment the output of the grocery product industry will decrease." There's some more, another threat.

I feel it's time that our main concern must be people and not the profits of those who have profits on top of profits. Thank you.

MR. CHAIRMAN: Thank you, Mrs. Ross. Mr. Patrick has a question.

MR. PATRICK: Mrs. Ross, most of your remarks were concerned with the housing and the problems that you see in a core area.

MRS. ROSS: Not necessarily, if you remember I mentioned Grant, I also did not wish to mention the other street because I didn't want it identified, I don't want to have a lawsuit on my hands.

MR. PATRICK: One of the areas that you brought to our attention, and it's a very serious point that you made, and that concerns me, I'm sure concerns all the members of the committee, was the rat-ridden houses, the leaking roofs, the no doors, broken windows and so on, and perhaps, I can't disagree with you. But one would be inclined to believe there is something wrong with the city health inspectors, you know, and I would have questioned the job that they're doing or is there a shortage of health inspectors or what are the City health inspectors doing in this area when such conditions are permitted to exist?

MRS. ROSS: I have given up the job of talking on behalf of government agencies, government officials, you will have to go and ask the City of Winnipeg. But you know, having appeared before federal governments or their agents, having dealt with people's needs, I did not want to take up your time, but I have a letter from Mr. Ouellet the then Minister of your job, Consumers and Corporate Affairs. In fact, the letter came almost the day that he resigned and with him I have a dialogue going about the increase in the price of milk, bread, cheese and other very important items. And all I have been getting is, it must be somebody else's fault, there is a reason for it. The reasons are millions, they are legion.

I have from Mr. Lalonde, and in fact I received a three page letter from Mr. Whelan to justify the powdered milk which is lying rotting somewhere and which is costing the government billions, never mind millions, but billions. And when I came to Mr. Whelan last year and said to him, the Canadian people are only using 6 percent of powdered milk and you are subsidizing 34 cents, why? Why not subsidize fluid milk which would be much more useful? He said, 'no subsidy!' Now he wrote me a letter to explain to me, I don't understand you see, I'm very ignorant, very naive, judging by the kind of letters I get from these ministers, very naive indeed. And it's somebody else's fault. We are cleaner than clean and whiter than snow. So, what are we talking about, we are talking about housing, people live in these hovels because they have nowhere else to go. That's the answer. Yes, it is too bad. It most certainly is too bad.

MR. PATRICK: My question is, again, if your statement or your brief is accurate in respect to . . .

MRS. ROSS: I can assure you it is.

MR. PATRICK: I'm not doubting it, but if it's accurate then again, I have to go back to the city health inspector and say, what are they doing?

MRS. ROSS: Then why don't you, sir, why don't you?

MR. PATRICK: Is this predominant in the whole City of Winnipeg, or is this maybe only one area of the city that one inspector is involved in because there's something wrong. I have had people bring to my attention and I've inspected the home, and I was asked to paint his garage and the garage was just painted 3 years ago, and I thought it was in perfect shape.

MRS. ROSS: Why don't you come down and visit us, and I'll take you through homes.

MR. PATRICK: This really concerns me, if your statement is correct in respect to the houses and the conditions they rent, then my point is there is something wrong as far as the health inspection.

My other point that I wish to raise, you've asked in your brief and recommended that the Government of Manitoba start buying up old houses and remodelling them. Have you given any research in this area? Would this be better feasible for say families with six children?

MRS. ROSS: For the past six or seven years, we have been dialoguing, Mount Carmel Clinic and the Manitoba Housing Renewal Corporation. We have had a petition out four, five, three, two years ago, for just that undertaking. I might say the Manitoba Housing and Renewal Corporation, under our urging, did buy some houses in north Point

(MRS. ROSS cont'd) Douglas and did renew them. And let me say, just off the top of my head, I'm remembering one woman who lived with six children, in a five-room, part of a house, for about ten years, was depressed all the time that she lived there, was under psychiatric care, no closets, none whatsoever, she happens to be a meticulous housekeeper. She was one of those that we and the government were able to buy a house for - we didn't do it but we urged the government to do it - and we were very actively involved in this and we promised them that this will rehabilitate that woman. Let me tell you something, that house was bought, she's living in a very nice remodelled house with about five closets. She went back to school, she had a Grade 8, she has now gone into a University Entrance Course. This is a woman with six children and she is planning to go into Social Work.

MR. PATRICK: From your experience, the houses that were purchased by the Manitoba Housing and Renewal Corporation and the people that you have living in there, has that proved to be successful and a better type of accommodation for . . .

MRS. ROSS: I have just finished giving you an example. I said, off the top of my head, I don't carry everything in my head. If I had known you would be asking me this question, I would have had it itemized, I don't know. I know Frances and I know how well she's doing; in fact, I spoke to her yesterday and she said, "you saved my life," and of course people keep telling you all that and it makes you feel good. But I know what has happened to that woman, I know how well her children are doing. Four teenage daughters not getting into trouble, boy, that's really saying something for a mother with an alcoholic husband.

MR. PATRICK: From my own experience, within your last paragraph on page three about the Government of Manitoba buying old houses, I can't help but agree with you completely.

MRS. ROSS: Fantastic. Would you sign our petition?

MR. PATRICK: Because there's many houses in this city that can be purchased and can be rehabilitated.

MRS. ROSS: Yes, and not only that . . .

MR. PATRICK: At a very low expense.

MRS. ROSS: Well, I don't know about the low expense, and I don't know about

. . .

MR. PATRICK: I mean the purchasing instead of . . .

MRS. ROSS: I'd like to advise the government, if they go to buy not to indicate to the realtors or whoever it is that they are going to be buying for the government because prices suddenly just go zooming upwards and that's why we're laying low. Because when we campaigned, the houses suddenly in Point Douglas, houses that were only worth about \$14,000, they couldn't even sell them - \$34,000. The government was buying, the word was out, so we better be a little careful. But I will say that this should be done and it would be most useful because it's no longer the low income group we're talking about. The middle income group is becoming a low income group, because who can pay \$40,000 for a house that I live in which cost us \$12,000, 25 years ago. And now houses in our area which I know cost \$12,000 at the time we built our home, are selling for \$36,000 and \$46,000 and I've been offered that. I think that's disgraceful. I'm sorry if I haven't answered your question. It's the best I can do.

MR. CHAIRMAN: Mr. Craik.

MRS. ROSS: My old friend, Mr. Craik, I wonder what he'll do. I don't know whether he wants to admit that he's an old friend to me, but he and I have known each other. Yes, Mr. Craik.

MR. CRAIK: Mrs. Ross, we won't . . .

MRS. ROSS: Now just a moment, let's not get carried away, he came to visit the clinic and I have a picture to prove it. Go on. When the Conservatives were in power, okay.

MR. CRAIK: Yes, Mrs. Ross, I don't think any of us, regardless of political stripe, have any hesitation in assisting in the work that's being done by institutions like yours.

MRS. ROSS: Thank you.

MR. CRAIK: I do have some questions about your views on rent control. You

(MR. CRAIK cont'd) . . . mentioned that you had felt a bit uncomfortable with the preponderance of landlord opinion that was at these meetings but in addition to that there was other opinions that were presented that was of a nature which you haven't commented on in your brief. You indicated in your brief you endorse the application of rent controls. The other opinion that we have received at this committee and from different sources is that rent control has a history that doesn't recommend it on a long-term basis certainly and perhaps not even on a short-term basis, but particularly on a long-term basis, and I am wondering what you're recommending here. Are you suggesting that we get into a long-term rent control program or are you looking at the short-term anti-inflation program?

MRS. ROSS: By the way, I'm not an expert, you weren't here, I introduced myself as a health worker and I maintain that position. I am not, and once again you weren't here when I said I was not a landlord, nor a landlady, nor did I represent the landlady and the landlord, nor am I a tenant, I'm a homeowner. However I have a vested interest in the health of the Canadian people, and I think that my credibility in that regard cannot be questioned. So that I can't give you opinions off the top of my head about what is right and what is wrong. However, I was amused to hear once again Mr. Craik and others, Mr. Poapst I believe, make reference to that welfare state that they have regarded as a terrible place, you know, a socialist place, a terrible place, and they went to that source when it suited their purpose to get information regarding rent controls.

Now I indicated that I thought it was a very good idea for rent controls, but I did not want to take away the business of all these landlords. But if the government went into the business of making available to people who can only afford a certain type of rent, according to their ability to pay, what they are actually earning, let the others have free enterprise, let the landlords who wish to hold onto their property have a free enterprise relationship with the government renters or the government as landlords. Are you with me? You know, so they can be free - free enterprise.

MR. CRAIK: Well, I gather from your comments that you would have no objection if the government owned all the rental accommodation and administered . . .

MRS. ROSS: I did not say that.

MR. CRAIK: Well would you have? Because you're . . .

MRS. ROSS: I have not given that any thought. Once again, you know, the fact that I present a brief on behalf of people does not mean that I'm an authority on it. You know, I have other things where my credibility is greater and I can talk endlessly about the clinic and birth control and a few other things that I'm an authority on. I'm not an authority on this, but I have thought it out and I feel that too many people cannot afford to buy homes anymore. The situation, as far as availability of apartments, houses, etc., is grim. Therefore since the private enterprise has told us over and over again, the two sessions that I was in, that there is no way that they're going to continue building when they're not going to get what they consider a fair return, then I'm saying to the government, let's make houses and homes available to people and the rent should be according to ability-to-pay. That is, if they're making \$600 a month, they should not be paying a third of their earnings which they're doing now, by and large. They should be paying, let's say 10 percent or 15 percent, I don't know, I'm sure that there are others in the government who know a great deal more about this than I do. And let those who have these high-rise apartments, high-priced apartments, or whatever apartments they want to keep, let them complete with the government, then we will have competition.

MR. CRAIK: Would you agree though that the problem is that people, by and large, cannot afford the type of housing which we think that they should have. Now that could result from two things. One, either the price is too high because as you seem to feel, maybe somebody's making too big a profit, or on the other hand, maybe the price is too high because the cost of building housing and paying taxes on housing and servicing housing puts it out of the reach of people.

MRS. ROSS: Of course.

MR. CRAIK: Would you agree that it could be either one of those alternatives?

MRS. ROSS: Of course. So what is the solution? What is your solution, Mr. Craik?

MR. CRAIK: Well you haven't suggested here as a solution . . .

MRS. ROSS: No, I have suggested a solution.

MR. CRAIK: No, you've suggested one and that is rent control.

MRS. ROSS: But I also suggested that the Government of Manitoba buy up massive amounts of land, go into a great big, much bigger building program, not only the Government of Manitoba but the Federal Government, the City Government, all of them together, go into a great big massive building program - one - in order to solve. . .

MR. CRAIK: That's right, Mrs. Ross.

MRS. ROSS: And the second one is old houses.

MR. CRAIK: That's why I ask you whether you're prepared to see the government operate all rental property because you were here the night before last, you heard one of the major developers say that their ARP program is applying to people in the middle and upper income brackets. But they are getting subsidies up to \$100 a month on rents that would normally be of the order of \$300 a month, so this means that essentially then if the government was going to do that, they're already partially doing it by subsidizing developers. That means that they have to take over all housing from here on in, all housing development from here on in.

MRS. ROSS: Is that your opinion, sir?

MR. CRAIK: No, Mrs. Ross, it's not my opinion, but I am trying to . . .

MRS. ROSS: You want to put words in my mouth?

MR. CRAIK: I'm not trying to put words in your mouth, I am trying to acknowledge where you reach the single solution that it's simply a case of rent control. Is it not also possible that it's a problem of the cost being imposed on all properties, being too high?

MRS. ROSS: I think it's a problem of inflation, I think it's a problem of everything going up high, I think we're in a mess right now. And I'm not the only one who thinks so, I think that the leader over in Ottawa, Mr. Clark thinks so too, and Mr. Trudeau is thinking so too and I think a great many people are thinking so, but I do not feel that the burden, the great burden should fall on the backs of 65 percent to 70 percent of the Canadian people and that's where it's at.

MR. CRAIK: Well, Mrs. Ross, one last question to you. I think you have a much greater sense of history of all of this than perhaps you've indicated here in your brief. And the information that we've received from all the world history of the application of rent control indicates that it affects negatively landlord and tenant equally in the long run, and I suspect that probably having taken the trouble to present a brief that you've done enough background research to already realize that.

MRS. ROSS: But I don't buy that, I don't buy that at all. Because you know, there is a tendency . . . Gunter Myrdal, you know, I just don't happen to agree with a lot of his theories, he was quoted extensively here. You know people quote people when it suits their purposes, I can take figures and make them work for me as you can take figures and make them work for you. Sweden, the Scandinavian countries are not the only countries in the world, there are other countries in the world perhaps which should be studied as to what they're doing with their housing problem, I don't know. I mean I haven't, I admit, even though I did prepare this brief, didn't make a study of the whole world problem on housing. However, we are in Canada and we have a problem right here. We are a rich country, much richer than a great many other countries, especially the underdeveloped countries. And if we have a problem, it's within our mean to resolve them. I get a little up tight, Mr. Craik, when I go to Ottawa, and speak to the Deputy Ministers and whatever about food prices and they tell me there's no money for subsidy, none; and then I hear about the billions of dollars that the Lockheed Company is going to be getting. I get a little up tight about that.

That's all I have to say, because there's no money for this, and no money for that and the last time I was in Ottawa, in November, we talked about health, I was at a health conference, and one of the Deputy Ministers very frankly said to me, a politician has to get re-elected and when it's a question of buying planes - I didn't forget it because in view of what has been happening with the Lockheed business - he must have known a few things that I didn't know, he said when it comes for a politician to make a decision regarding matters of what is best for him and how he should get elected, a plane will be bought and health services will go down. I'm quoting a man that I had a great deal of respect for. A top civil servant.

MR. CRAIK: Mrs. Ross, I agree with you entirely, I'm sure that some people would get re-elected easier if they could sell the aircraft in Manitoba right now, not buy one. But, I want to get back to rent control if I can. You say that you don't necessarily agree with Gunner Myrdal from Sweden and his analysis, who happens to be one of the more recognized people I think in the field. I'd like to find one knowledgeable person in the world that has ever said that it does work. And if you could give me the reference of one major person in any country I'd like to read it, cause I haven't seen it.

MR. TURNBULL: Karl Jaffre.

MRS. ROSS: I beg your pardon.

MR. TURNBULL: Karl Jaffre. He's written a much bigger report than the previous report. I'll get you a copy.

MR. CHAIRMAN: Order please. Order please.

MRS. ROSS: All right. Thank you. I would appreciate it. However, what I have indicated is that the government - I'm not only for rent controls because that's just one of the little things, and I said so in my brief that would help the tenants, and I'm for tenants, okay?

MR. CRAIK: Mrs. Ross, I agree with you entirely, I agree . . .

MRS. ROSS: I have made other recommendations and maybe that will work. I'm not here to solve all your problems.

MR. CRAIK: You also said that a politician's major job is getting re-elected. The easiest way for a politician to get elected this year in Manitoba is to wave a sign saying he's in favour of rent control. I mean that's the easiest short-term political gain that a person could make. But, if you destroy an industry in doing it, by legislation that's badly drawn and ignores the history of rent control in the world and in other jurisdictions outside of Manitoba, what's your gain? One more term?

MRS. ROSS: Not being a politician and not being concerned for re-election I would like to say to you, Mr. Craik, that if this government is going to do something, one little thing to help the tenants I will congratulate them.

MR. CRAIK: Well I think we may all do that, Mrs. Ross. I know that you have looked into this further than what's indicated here, you find one answer is being to clamp down on the landlords, I'm just trying to elicit from you an acknowledgement that there's other problems.

MRS. ROSS: Of course, there are other problems and I'm not here to solve all of them. But I have made several other recommendations which you chose to ignore. And if you look at them I think they make sense.

MR. CRAIK: Buying up the older houses?

MRS. ROSS: Buying older houses, buying land, lots of land and building homes for people.

MR. CRAIK: Thank you, Mr. Chairman, thank you Mrs. Ross.

MRS. ROSS: Mr. Chairman, Mr. Craik is through with me.

MR. CHAIRMAN: Mr. Turnbull.

MR. TURNBULL: Thanks, Mr. Chairman. Mr. Chairman, that last exchange was rather interesting because I gather that rent control is supposedly a popular measure and a vote getter and yet I've only seen, oh, about 5 percent of people coming before us representing that very very popular measure that Mr. Craik seems to think this is. So I am happy to have heard your brief Mrs. Ross, and the cases . . .

MRS. ROSS: At last.

MR. TURNBULL: . . . that you put before us. I found it a very powerful brief. You also said that you are not an authority on this particularly, but, certainly what you've shown us today is that you have some considerable knowledge of particular case histories in this whole city. I didn't realize either that your Clinic served people who lived in all areas of the city.

Because you have this experience and knowledge with rental situations across the city I was wondering if you could answer a question that I have. It's with regard to the different rent level charged on a square foot basis, for rental accommodation of a different quality. Rental accommodation in what is commonly called slum areas is often, I am told, higher rent on a square foot basis than is, say, rental accommodation in pretty good districts, well maintained properties. I was wondering if through the case studies

(MR. TURNBULL cont'd) that you have had if you can confirm this or not.

MRS. ROSS: I most certainly can confirm it. I'm reminded of - it's relevant, I'm reminded of a young lady who told me the following story. She went to rent, not in our area, but in a different area. Once again, she was a student, one child, and she asked the landlord "how much." He said "if you're on welfare it's a \$140." And she says, "Well, I'm not on welfare, I'm working." He says, "well it's a \$125." She was puzzled and she came to us and she says, "what's this? You know, why?" So the social worker told her very simply that the welfare department is prepared to pay \$140 and since the landlords know this, so for the same space, for the same rooms, exactly the same, if you were on welfare they would have rented for \$140. But she was working, therefore he was . . . Now believe me, if it's on the question of space etc., most assuredly, and that can be backed up, over and over again, because we did a study in 1972 which is still valid, that the people in our area are paying much, much more than in other areas with much better accommodations.

MR. TURNBULL: Thank you. That's all, Mr. Chairman.

MR. CHAIRMAN: Mr. Barrow.

MR. BARROW: Thank you, Mr. Chairman. I congratulate you on your brief. It's one of the most refreshing briefs that I've heard since I've sat here all through the hearings. I'm from the north, by the way, and not exactly up on the city way of doing things so I'm quite naive. We've heard the landlords and we haven't heard anyone criticize the landlords, but out of all the landlords you group them as a professional group and the brief before you referred to gougers. Your brief refers to almost every landlord in that category. But there must be good landlords, too. I haven't met any.

MRS. ROSS: No doubt. Yes. I agree with you, Mr. Chairman. In this room there are good people, there are very good people and there are indifferent people and there are bad people. Amongst landlords there are good people, there are bad people there are indifferent people. Amongst tenants, there are good people, there are bad people and there are indifferent people. I'm merely identifying some of the things that I am most familiar with and has come to our attention over and over and over again, and that is why I went to my friend the realtor, and I says now look my friend. I woke him up, he wasn't very happy about that, I said I have to appear before Law Amendments, I must have some information because I hear these people crying the blues. I hear this and I hear that, have you got some information, and he gave me some. He quoted what's happening on Grant Avenue, I name Grant because there are a heck of a lot of apartment houses and you can't identify which one, but he also gave me some information about the north end, of very good apartment houses where they are charging more than they should be charging. And he told me a few other interesting things about some of the people who made presentations here, and I don't want to go into it because there's no point.

MR. BARROW: Well you answered part of my second question, I was going to refer to tenants. You know we heard about the bad tenants, the people who break the furniture, break the doors off, like to leave lights on, but there are good tenants I know they're good tenants cause I've rented from people, I've rented houses with two children. I don't know if I was a good tenant or not but I had no trouble with landlords, I paid my rent on time and my wife was very efficient. So I'm getting to be a good tenant who, say a couple who were very very conscientious, they use the house as their own, should a concession be given to this type of person? We hear about tenants paying the shot for the bad tenants, should not the good tenants be reimbursed for their efforts?

MRS. ROSS: Well, you know, these people are businessmen, despite the fact that all the things they've said they could have invested their moneys elsewhere.

MR. BARROW: Well, that's my next question.

MRS. ROSS: They didn't have to invest, and I am remembering the apartment houses I'm telling you about and I can multiply that by the hundreds. The apartment houses, I lived on Aberdeen - 306 Aberdeen, near Charles Street and that apartment house, as a kid I remember existed and was in bad shape on Charles and Aberdeen. Now how many hundreds of thousands of dollars have these people who owned that apartment house gotten out of that one without very little fixing. So that, you know, what's a landlord, how long has he had the apartment house, has he just become a landlord, what's it all about? By the way, I was given by one of the gentlemen here, I was given some advice -

(MRS. ROSS cont'd) why are you sticking your neck out for these people, you know, why should you, sort of . . . well enough said. What's your other question?

MR. BARROW: I want to get into the business of a landlord.

MRS. ROSS: I wouldn't advise it.

MR. BARROW: I want to buy a block of 100 suites. I want to rent the 100 suites out at \$250 whatever, per month. Am I not entitled to let those people pay off that block, give me a decent salary, with that investment?

MRS. ROSS: You're asking me a question and once again I'll have to quote my realtor friend, and I wish I had some of the notes that he gave me. He said, you know, you should ask some questions of those landlords. What other businesses have they got. How much of that money is just seed money that they are putting into as a speculative thing, you know, to make a fast buck. You know I haven't got the notes, I should have, I didn't think it was relevant, I didn't think I'd be asked these kind of questions, because I'm not an authority on this. But if you're going into a business and if you're asking me and I'm not a business woman, that I certainly, if business is so bad and this is what they all say, then I would take that money, whichever money you've got, you must have a fair amount if you're going to invest in a large apartment house, I don't know what condition it would be in, if it's a new one, it's one thing, if it's an old one it's another, then I would say to you, put it in the bank, you know, there's a 9 1/4 percent interest that you can get in some of these finance companies, you know, why saddle yourself with a business right now which doesn't seem to work. I don't know. I'm not in the business, I can't . . . you should have asked that of Mr. Haig, who represented . . . or Mr. Kushner, who I'm sure could tell you all that. Why ask me.

MR. CHAIRMAN: Order please.

MRS. ROSS: Why don't you ask me a health question, I can tell you that.

MR. CHAIRMAN: I think the question is irrelevant to the brief that's being presented.

MR. BARROW: Well the long term answer, the housing situation, I think I have the answer in the north and I would like to get your opinion on that. A house in Thompson at \$36,000 on a long-term basis will cost the buyer \$90,000, so he can say I'm not going to buy this house for \$90,000, because I'm better off renting. And then he says, well if I rent I'm receiving nothing, I'll neither have nothing to sell, so he's in a dilemma; and the thing is a way to provide housing at no interest and someone has to put up the money. I'm saying the corporation should do it through some special tax for housing, not only in the north but probably all over Manitoba. Would you agree with that?

MRS. ROSS: I have made my recommendations, I think that they are more reliable, I think that they would serve the purpose much better than what you're suggesting. That's my answer.

MR. BARROW: Thank you, Mrs. Ross.

MR. CHAIRMAN: Mr. Boyce.

MR. BOYCE: I just have one question, Mrs. Ross. How long have you been sticking your neck out for people?

MRS. ROSS: Well, I've been working for the clinic over 25 years and I'd say that's my life's work.

MR. CHAIRMAN: Any further questions? Hearing none, thank you Mrs. Ross.

MRS. ROSS: Thank you. I appreciate your letting me . . . listening to me anyway.

MR. CHAIRMAN: The next person who was here the other evening, Mr. R. Dubbin. Mr. R. Dubbin here?

MRS. ROSS: (Inaudible)

MR. CHAIRMAN: Order please. I'm sorry. Mr. Dubbin.

MR. DUBBIN: Mr. Chairman, committee members, ladies and gentlemen. My name is Reg Dubbin, I am a businessman and resident of Winnipeg. As a member of the Landlords Association, I have already had an excellent brief presented on my behalf, however as a landlord on a small scale and one who is not dependent on rental income, I am interested in improving my properties, keeping them fully occupied and developing them to the point where they do provide me with a livelihood in later years. And I think for this reason, it behooves me probably to offer a short brief on my own behalf. Whatever the

(MR. DUBBIN cont'd) omission I had in investing my money, the first accomplishment has been to become a landlord and it does appear at this time that I could have chosen a lot more wisely, in terms of reputation, investment or anything that you want to look at right at the moment.

Throughout the history the story has been that renters of property will by-pass other businessmen less reputable to lay unsupported charges at the door of the property owner or landlord, and so it is gentlemen, that I join the ranks of the lawyers who are supposed to be shysters, politicians who are supposed to be crooked and landlords, many of whom are gougers. There are some individuals in each case, however, I would point out that the cure is not to be found in taking punitive measures against an entire group simply because of the wayward few, and that is exactly what Bill 19 does, in my opinion.

Once more, as a Manitoban, I am faced with either letting unsubstantiated charges cast me in a bad light or defending my cause. In other words, I again feel that I'm put in the position of being guilty until found innocent. It is true that there are ways and means of taking one's case up with the review board or whatever the government sets up in the way of, methods of, what's the word I'm trying to think of --(Interjection)-- appeal, yes, thank you. However while one might like to think that such a review board would be not politically motivated to any extent, I think that I, for one, am going to be realistic enough to appreciate that it is going to be, to what extent, however, I think depends upon the good or bad judgment of those people who are sitting on the board. And I do appreciate that there will be other than political people sitting on the board, or at least that's my understanding and hope.

The fact that the provincial controls have followed federal controls isn't too surprising and I suppose if I have to say something good about the present government, and I don't think that's too hard in a lot of instances, the Provincial Government could be complimented on its action in taking some action as far as controls are concerned. The situation and I haven't referred to it as inflation, I've referred to it more by implication but I'll do it now, the inflationary aspects of our today's living or economy or however you want to phrase it are such that controls in my estimation are needed, and because they are needed and badly needed I think that it's very very important that they be applied in the proper way and certainly at the proper level and the proper time. What is surprising to me is that the Provincial Government chooses to apply its controls at the top of the cost build-up rather than at the source, where the costs start, and in saying that I'm not lobbying for the Federal Government. I just say that - well if I could use the phrase - until we as human beings get our grubby hands on to something, whether it's cutting down a tree to make lumber, there is no cost involved, and that's the way it all starts.

Now I'll qualify that by saying you certainly can't lay everything at the door of labour, that isn't the way it is either. However, I must continue and say that there seems to be absolutely no logic in permitting construction costs to skyrocket without any attempt at controls and then by ill-conceived legislation, make the landlord financially responsible for a large part of the additional costs. Some amendments are acknowledged but unless other changes are forthcoming many property owners will face financial disaster and that is regardless of what has been said previously here this morning, the fact is not changed.

As if the 10 percent increase which the bill originally allowed was not in itself a financial trial, the effective date for increase was set back to July 1, 1975. I'd like to point out right here that during the period of October 1, 1975 to October 7, 1975, trades people, most of whom are very active in the housing construction, received wage increases between 35 and 50 percent over a two-year period. Now all you have to do is to divide by two to find out what that's going to give you in the way of an increase for a year. I can tell you that it certainly supersedes or goes far beyond, I should say, the 10 percent which was originally proposed. It's a certainty that some people enjoying this type of wage increase will also be occupying housing for which the rent increase over a two-year period will be 10 percent each year and I would add to that "or other supported costs" which has already been agreed to.

It is fair to say that Bill 19 is an ill-conceived bill that is too stringent, it's applied at the wrong level and effective at the wrong time. If this legislation was as

(MR. DUBBIN cont'd) necessary as the Chairman, Mr. Turnbull, would have us believe, there would be far more tenants coming before this committee to plead their case. They're not at home hiding in fear and trembling, that I can assure you of, I have not a large number, 12 to be exact, units that I rent and my tenants don't worry when I knock on the door. The vast majority have accepted the increase, not only because they are the order of the day but also because they themselves have contributed to them. When you earn more, you have to pay more. It's as simple as that. The real tragedy is where you don't earn more, and you have to pay more for the same, out of the same money, and I think that has been very well brought out by the previous speaker. All too often it then becomes a case of a bare existence rather than a life of some substance. When a landlord is charging a reasonable rent, whether it is affordable by some or whether it isn't, the plight of these people fortunately, unfortunately, however you want to look at it, is not really his responsibility. The responsibility for senior citizens, and I may be one in a short while, and I would certainly not count on my landlord or my grocer or my department store to feel obligated to look after me in my old age. In fairness however, I must add that landlords do make financial considerations to many of the people and the vast majority of these people are good tenants.

My operation as a hobby landlord involves 12 units, most of which are single houses, seven, and five units contained in duplex or triplex, and I'm therefore fortunate in that I'm able to dispose of most of my property because there is a good demand for it. In other words, if things don't work out for me as a landlord, there is a good demand for individual houses and I can sell my houses and I can make a profit on them, do very well; as a matter of fact do a lot better than I am presently doing as a landlord. But in buying them, I didn't buy them to sell them for a profit, I bought them because I'm sincerely interested in real estate. That's one of the reasons why I have no plans to sell them and take my equity and realize the capital gain on many of the properties that I own. If my investment had been in an apartment, I can assure you that my circumstances would be vastly different. As a matter of fact, they're not all that different from some apartment owners now.

I didn't bring my bank statement with me and maybe I should have. Figures on three properties, all private houses, show a combined loss of \$2,225.54 for '75 and the balance of the premises would break even. Now take that with a grain of salt, because in those figures there is improvements I would say to the extent of \$500 on one house, and the one house that we're talking about, the rent amounts to \$1,980, the pay-out amounts to \$3,208.39 and the loss is \$1,228.39. Out of that, \$500 would be for improvements, some because of previously poor tenants, some because I'm again improving the premises. Anyway that's the situation. Further tax increases from '74 to '75 on that particular unit were 59 percent, I'll also substantiate that. Mortgage and interest payments \$1,920. Taxes alone represent 43 percent of the income and in mentioning that tax figure, again I would have to be fair and say that a lot of the increase is brought about by improvements such as storm sewers and other improvements which certainly don't come cheap these days. I'd simply add to those figures that these losses can't be made up from other properties, there's no way that I could take a \$1,200 loss and divide the thing over other properties and try and make it up; other properties have enough trouble trying to produce some revenue or break even on their own, and again I say sincerely that it's because a lot of improvements have been made, sometimes because tenants call for them, sometimes because I think they're necessary.

I have two other comparisons here, rent on one premise owned for a part of a year was \$1,125, the payout was 1,135, and the loss \$10.00. For a full year's operation the rent income \$2,005, the payout was \$1,976.15, a gain of \$28.85. Now that doesn't include equity gain or it doesn't include any capital appreciation, all of which would have some bearing on it.

In summary I would make these comments. The case presented for rent control has been a weak one. The 10 percent limit has been arbitrary and I would say at best a guesstimate that doesn't come close in all too many cases, and in saying that I'll be absolutely fair and advise that I know there are a lot of different cases. If figures were available to support controls then they should have them presented for that purpose. I say with all respect to the Minister responsible, Mr. Turnbull, that this doesn't seem to

(MR. DUBBIN cont'd) have been the case. The data compiled against controls and ably presented from this end of the table by professional people seems to me to be far more impressive.

A second look at controls in any form would seem to be in order. I suspect however that a second look won't rid any of us of the legislation therefore I think that the most we can hope for is a more equitable form. Where a tenant feels that his rents are too high, he should bring his case to the attention of the Consumer Affairs, as other consumers are asked to do. Now I am not too sure how much activity the Consumers Affairs take in actually going out and canvassing to find out how fair prices are, whether you go down to a shoe store and buy shoes and go somewhere else and buy them, or make any comparisons of that nature or not. But I say that is to me the way it should be handled.

Mr. Turnbull, at a meeting with the Landlords' Association, advised when questioned about Hydro increases and these comments are not verbatim, that we as consumers continue to demand more in the way of electrical facilities and that an increase was necessary to ensure the ability of the extra demand. The hydro consumers, also the average tenant and the logic should have extended one step further, consumers demand more and more and better and better housing, more facilities. When the government controls utilities and other expenses, rent controls would be much more in order. Any restrictions in rent cannot be rolled back with any degree of fairness therefore the reference date must be October 14, 1975 - no further comment on that. If the onus is left to the landlord to apply for approval of any increase over 10 percent for each and every suite, then applications will pile up by the thousands.

And I thought that you gentlemen might be interested in a case, when I say applications will be piling up by the thousands and I'm implying, possibly again by implication, that they're not going to be handled very fast, it's going to be a workload of some magnitude, I can tell you. And to further substantiate that line of thinking I brought down a complaint which was filed with the Rentalsman, and I also brought down a letter from him. The letter reads: Dear Mrs. X: "We are returning your cheque to you as we did not request that you pay your rent to the office of the Rentalsman. Please pay your rent directly to the landlord." The complaint and the cheque were mailed to the Rentalsman on August 25, his letter is dated October 15. Now all I'm saying is that I think it's a point that's very clear. Here is a case where the Rentalsman agreed that he had no case, and said so, but it took him six weeks to get my money back and I don't think that's fair. And I think that's what I'm going to be faced with if I have to go to any committee, any review board to apply for any increase on any of the properties that I have, and I do, make no mistake about that.

Further the landlord should not be placed in a situation where he has to make good the misendeavours of the previous owner. I think that's grossly unfair and I just wouldn't buy it, Mr. Chairman, unless you wanted to accept the fact that the incoming tenant make good the damage done by the one who's leaving, that would seem to me to be a fair way of handling it. If you are going to make me my brother's keeper, then afford the tenant the same courtesy. Unless the government is prepared to make a new tenant responsible for the damage the previous tenant has done, and I say, to wind that up, that sauce for the goose should certainly be gravy for the vest. You can't have it one way and not have it the other.

Finally, Mr. Chairman, I suggest that both the road to Hell and Bill 19 are paved with good intentions. That's a compliment. However, good intentions aren't enough. Any legislation, and I'm sure I'm not telling you anything you don't know, must be sound, workable and certainly fair. That, Mr. Chairman, respectfully submitted to yourself and to this committee winds up my brief. Thank you.

MR. CHAIRMAN: Thank you, Mr. Dubbin, I have Mr. Turnbull who wishes to ask a few questions. Are there any other members?

MR. TURNBULL: Mr. Dubbin, I always try to avoid profanity, but seeing you raised it, I was wondering if all roads to Hell are paved with good intentions, what are the tenants . . .

MR. DUBBIN: I'm sorry, Mr. Turnbull, I didn't get all of that.

MR. TURNBULL: Oh I'm just paraphrasing your profanity . . .

MR. DUBBIN: Oh all right, fine, I'll listen.

MR. TURNBULL: . . . about all roads to Hell being paved with good intentions. And I was wondering how you pave the road of the tenant whose rent has been raised to the point where he has to move, and he literally has to move because he can't afford additional rent increases because his wages are frozen or are about to be fixed at 8 percent, and even if he can find some alternate accommodation, somewhere, the cost saving in his rent will be eaten up by the cost of the move; now do you think that also is a difficult situation, perhaps the health of a tenant.

MR. DUBBIN: Absolutely, no question. I think the speaker before me made a lot of very very good points and I think that . . . I'm not unfamiliar with that situation, Mr. Chairman, it may surprise you to hear that, but that's true. However, I don't think that you can go down to department stores, as I said before, and tell them, here this poor chap his wages are frozen, he'd like a sirloin steak but all he can afford is hamburger.

MR. TURNBULL: But he has a choice.

MR. DUBBIN: Well that may be true and what you're saying is that some chaps . . .

MR. TURNBULL: Because it doesn't cost him more to buy the hamburger, whereas if he moves it's going to cost more, isn't it?

MR. CHAIRMAN: Order please, order please, let the gentleman finish his answer, listen. Repeat your answer please?

MR. DUBBIN: I've lost my train of thought for the moment. Repeat the question if you would, please?

MR. TURNBULL: I'm sorry, I really did think that you were finished. My only point is this, that shelter is surely somewhat different than buying meat, and I know there are some people who would even claim that too much consumption of meat is bad for the health. But shelter, you know, in this climate we must have and with many people in the particular income position that they find themselves in they literally cannot defer the expenditure on shelter, nor can they substitute something else, and they have to have it. We can all switch from steak to hamburger or from meat to fish or whatever, but shelter we cannot find such a substitute for it. So there is that difference.

MR. DUBBIN: Well let me just give you this answer, Mr. Turnbull. I would have thought that possibly that question would mean a lot more if it was coming from this end of the table. What has the government done? They've appreciated that there is a shortage. As a matter of fact, they haven't done too much about it, maybe they've done a fair amount, but let's face it, if the question that you're posing me now is accurate, and I think it is, then obviously you haven't done enough about it. You're asking me what these people are going to do. I can tell you what they can do. If I've got accommodation that is reasonably priced they can come to me for it, if I haven't then as far as I'm concerned they're out of luck. And I agree that that is a situation that exists, I'll also agree that there are people that take advantage of it, and I'll go further than that. I'll tell you that where I run into incurred costs then I increase my rents. And if that means that a certain class of people can't afford the premises that I have, then what do I say, that's their misfortune. I drive a Parisienne, eh? - I should say a '66 Pontiac, is a better way of putting it - I might like to drive a Lincoln, but I can't afford it. And whether you, other gentlemen or whether the people behind me believe that, that's the truth.

MR. TURNBULL: Yes, but this legislation does provide landlords with cost pass through . . .

MR. DUBBIN: I realize that and I say again, or maybe possibly for the first time, I know that there are some things that . . . I haven't been here at all the meetings and what I've picked up has been from other areas, so there are some things that I am not familiar with.

MR. TURNBULL: As a matter of fact, this legislation surely is even fairer to landlords than the federal program is to wage earners. Because this legislation allows the landlord to pass on his costs, the federal program does not allow the wage earner to pass on his increased costs to somebody. There is nobody else.

MR. DUBBIN: That could well be, and I'll say something else, Mr. Minister, I'll say this, that if I'd been increasing the rent on my properties 10 percent for the last

(MR. DUBBIN cont'd) few years, the Act would be a lot fairer to me than I've been to myself.

MR. TURNBULL: Mr. Dubbin, you criticize the percentage amount allowed. Some economists have advised me that it is too high. Some in other provinces of course, have advised that 10 percent is a reasonable level. Now you admit that it's obvious, hardly needs stating that no percentage amount could possibly cover all situations, but you do know that a 10 percent amount has been set in B.C., in Alberta and in Saskatchewan; why is it that you think in Manitoba you should be different? As a matter of fact if you look at the statistics, the costs of operation here statistically, on a national basis, are lower, or have been lower in the past than they are in these other provinces. Now, of course, general statistics don't apply, again, to specific situations, but why do you think that Manitoba landlords are in such a different position than landlords in B.C., Alberta and Saskatchewan?

MR. DUBBIN: Well that poses quite a question but I think I could answer it fairly by saying that I would think offhand, and this is a top of the head answer, I would think that part of it is because the income rate is lower here. And I'm talking about earned income, eh? - hourly rate or whatever; or has been until recently.

MR. TURNBULL: Then, would you also admit that in Ontario the earned income is higher there, and it is, but . . .

MR. DUBBIN: In some instances only.

MR. TURNBULL: Well everyone I've ever spoken to in Ontario, for like work with people that I know of living here, is making more, and statistically it can be shown that wages are much higher in Ontario. In other words, you know you can show statistically the cost of practically everything in Ontario is higher. But in Ontario the rent level set is 8 percent, landlords will be allowed 8 percent and the rollback will be effective to this last July. So again, why do you think that you should be treated differently than the Ontario landlords?

MR. DUBBIN: Well, appreciate one thing, gentlemen, Mr. Turnbull, I said in the beginning that I was a hobby landlord, so I'm not as well versed as say Graeme Haig or some of these other fellows who come down here armed with information to the teeth.

MR. TURNBULL: I didn't know he was a landlord.

MR. DUBBIN: Pardon?

MR. TURNBULL: I didn't know Graeme Haig was a landlord.

MR. DUBBIN: I didn't say that he was. I say that he's in a position to come down here with all the information that can be presented to you people and mean something. I think the chap from Lakeview Developments is in much the same position. Most of my time is spent in other full time occupation and some of these answers admittedly I don't have, I'm quite willing to do the best that I can here to any questions that are going to be asked, but obviously there are going to be some things that are going to be beyond me.

MR. TURNBULL: All I asked you was why do you think landlords in Manitoba should be treated different than landlords elsewhere. You cited the matter of income.

MR. DUBBIN: No, let me give you . . .

MR. TURNBULL: Incomes are higher in Ontario than they are here yet the rent levels are lower in Ontario than they are here, so I was just curious as to why you thought you should be treated differently, that's all. I didn't think it was a question requiring expertise.

MR. DUBBIN: I would simply say this, as a resident of Manitoba and as a person who has invested their money in Manitoba, I know this, that if I had invested in some other field right now I could be getting 10 or 11 percent on it, and I don't have to mention any names, just open the newspaper and you can see where the money could be invested, and I figure that 10 percent investment, that I shouldn't be getting anything less than that. Obviously I am, and I'm willing to settle for it because I have other things going for me, I'm keeping my property, I'm building an equity, I'm improving it. By the time it has to support me, me having supported it for five or six years, or whatever, will stand me in good stead, and that's exactly the way I feel about it.

MR. TURNBULL: You've said you're a hobby landlord and I guess you're losing money. I lose money on all my hobbies, too, they cost me money. But seeing you're

(MR. TURNBULL cont'd) a hobby landlord it raises in my mind a point I've been meaning to ask for the last . . . Well through all these hearings. Some landlords are in business as landlords, that's their sole manner of income. Clearly a person in such a position can hardly lose money, I mean, it just isn't possible to carry it on that basis is it? But the hobby landlord, such as you, they can carry the losses obviously, and the losses, as a matter of fact, can be written off as tax deductions, correct? And therefore, I was wondering how you would react to the Bill being amended to take into consideration a landlord's total operation, not just the operation for a premise individually but all his premises, all his operations, so that we could then get a more fair Bill, you see, because we would be getting at the man's total benefit from the operation of the rental accommodation, and surely, you know, there is a benefit from a loss operation if that loss can be taken out of taxes paid, in other words, if it reduces his taxes paid that's a benefit, and all these benefits should be taken into consideration. Would that be a more fair way of approaching it, do you think, or do you think . . .

MR. DUBBIN: No, I certainly don't think that it would be. Where I work eight hours a day I'm entitled to eight hours a day pay and where I work two hours a night in my landlord interests, and have money invested, I want a sane return, a sensible return on the money that I have invested, the same as I would get if I trotted down to the bank or a trust company.

MR. TURNBULL: But, Mr. Dubbin, why should the tenants living in your particular accommodation give you a tax benefit? It is a tax benefit. I mean no matter which way you cut it and how you explain it away, it's still a benefit to you as a landlord.

MR. ENNS: Who gets the tax, the government or the landlord?

MR. TURNBULL: Mr. Dubbin is doing quite well.

MR. CHAIRMAN: I'll put you on the list, Mr. Enns, if you like.

MR. DUBBIN: I hardly know how to answer your question. I wish I was just a little better versed in taxes, in where they go and why they go, because I'm quite sure that Ottawa hasn't overlooked a helluva lot - or overlooked a lot. I hear that Mr. Schreyer is just about to have another look at things in here, too. So, Mr. Turnbull, my answer to you right now would be, don't worry too much about me getting too much. It won't happen.

MR. TURNBULL: As a benefit off your taxes?

MR. DUBBIN: That's right.

MR. TURNBULL: So you think then that the Bill is fair enough in the way it's drawn enabling the review officer and the board to look at the operation of a particular premise rather than a landlord's total operation? You feel that's more fair?

MR. DUBBIN: Oh, absolutely I would say that you have to . . . there is no way that I want any review board comparing what I earn, whether it's 10 thousand or 50 thousand, and tying that in with what I am entitled to in the way of earnings by invested money. They wouldn't be doing it if I had it in the bank.

MR. TURNBULL: Okay. That's all, Mr. Chairman.

MR. CHAIRMAN: Any further questions? Hearing none, thank you, Mr. Dubbin. We now have been through the list of people twice. I will start here and call through, and this will be the final run through of people. I think we've given everybody three opportunities . . .

MR. CRAIK: If there is anyone in the audience who has not spoken or addressed the committee, it appears that there is one gentleman here at least that hasn't . . .

MR. CHAIRMAN: The lady that wanted to speak this morning has already spoken. Mrs. Syrota spoke the other day.

MR. CRAIK: Well there are others though that would appear . . .

MR. CHAIRMAN: I'm going to call the names of the people, starting at the start, Mr. Cheyne, Mr. Henry Friesen, Mr. W. S. Thiessen, Mr. W. S. Robbins, Bayview Homes Limited, Mr. and Mrs. Michael Furby, Professor Edith Nickel, Mr. Joe Sipos, Mr. R. J. A. Leclerc, Mr. Gordon W. Katelnikoff, Mrs. Victoria Luchka, Joan Johannson, Audrey Delaronde, come forward please.

MRS. MURPHY: Mr. Chairman, I'll be replacing Audrey Delaronde. My name is Paulette Murphy.

MR. CHAIRMAN: Oh, I'm sorry, I've made a mistake here, Mrs. Delaronde. There's a Mr. J. P. Hamilton ahead of you.

MRS. MURPHY: Oh, Mr. Hamilton is here, yes.

MR. CHAIRMAN: Mr. Hamilton.

MR. HAMILTON: Mr. Chairman, members of the board, I guess you can see the way I've started out that I'm not an orator, I'm just a retired farmer and if my brief appears kinda dull you'll probably understand, but I'll read over my brief just as I have it written out here, Mr. Chairman.

My name is James P. Hamilton, I'm a retired farmer, who through a lifetime of hard work and frugal living acquired some savings, and to take care of my declining years I invested in a few houses for revenue. I now own six of these rentals but under present conditions none of them yield a fair return. I manage these rentals myself and do some of the maintenance for which I charge nothing. You understand a retired farmer has to be a sort of mechanic as well. I keep close records and try to keep the properties up so as to have satisfied tenants and not let the property deteriorate. I have clear titles to four of the properties and two others have $6\frac{1}{4}$ and $6\text{-}3/4$ percent mortgages. You can understand, you'd be happy to get that mortgage now wouldn't you? And on these two with small mortgages I haven't charged any mortgage interest on to costs. Further, on two of the properties improvements are all paid, so I'm not adding a lot of mortgage interest to my costs or street costs such as pavements or sidewalks.

Further, Mr. Chairman, I think you will agree that in any advanced society such as ours there should be a fair amount of good rental properties at a reasonable cost, and this is best achieved by as little interference as possible by a state or government, and if an owner can't obtain a fair return for his investment there will be fewer rental properties in the future. This, in time, will work a hardship on the family with a moderate income who can't afford to buy.

It would cost six or seven percent today to hire efficient management and they wouldn't put the time on the job as an owner would. Note, I don't like the word "landlord" as it smacks too much of the old England a few centuries ago. I turned over a few houses to a prominent Winnipeg firm to manage a couple of years ago and all they did was collect the rent if the rent was brought to them, and they let one tenant get two months in arrears and he declared himself bankrupt and I lost two months rent.

Another point, I would like to point out that it isn't fair to have any hard and fast rule on income or raise in rent. Some families where there are children that are not properly controlled cause a lot more damage and upkeep than where there are only adults. Also, some families try to co-operate with an owner by doing some painting if the owner supplies the paint. A successful rental, in my estimation, depends on the co-operation of both the owner and the tenant.

Here are a few of my records for the calendar year 1975 on the six rentals that I own. These figures are actual costs except that in each case I added 25 percent as miscellaneous because there are some things you can't keep track of exactly. This is only fair as some small items were not charged and I keep a supply of workman's saws, tools and sundry which has to be kept in shape. Also, I have to maintain a car, gas, repairs and sundry to look after the different properties. Now, for instance, at one time when I was out to a property to do some repairing, I had to run down three or four miles to get some supplies, you see; well I couldn't walk that far.

Here's a list of the properties. The first property the rent I got in was \$2,160; the expenses \$1,934.60, on an appraised value of \$35,000; the profit on that is \$225.40 or a profit of less than one percent, two-thirds of one percent.

Now the second property, I'm not naming any names or any locations, I have them here if you want them, the rent that I got in was \$1,980; the expenses \$1,152, on an appraised value of \$27,000; the profit was \$828 or 3.07 percent.

And the third property, the rent I got was \$2,970; my expenses on that property \$1,375; the appraised value was \$46,500 - some of these properties are just a few years old - my profit in that case was \$1,594 or a profit of 3.43 percent.

Now the fourth property, the rent I got in was \$2,740; my expenses on that property were \$981.28; the appraised value there was \$46,000; my profit was \$1,758.72 or a profit of 3.82 percent.

On the fifth property, the rent was \$3,225; my expenses on that property were \$1,190; the appraised value there was \$45,500; my profit was \$2,036 or 4.47 percent.

(MR. HAMILTON cont'd)

On the sixth and last of these properties, the rent I got in was \$2,929; my expenses were \$942.50; the appraised value there was \$36,000; my profit there was \$1,986.76 or a profit 5.5 percent.

Now notice I manage these properties myself, I think I do more efficient management than if I hired somebody to do it. I think I'll go over this again. As mentioned previously, I think you will agree that in an advanced society a fair amount of good rental property at a fair price is a necessity. This can only be achieved if there is a fair return on investment, or by the government subsidizing the tenants, and to do this the government will have to take the money from the savers and this will discourage thrift. They can't get the money from the fellow who has spent his savings on beer parlours or fast living.

Thank you, Mr. Chairman, my brief is rather short as I didn't want to hold you up too long, but that's my actual experience.

MR. CHAIRMAN: Thank you, Mr. Hamilton. Mr. Turnbull.

MR. TURNBULL: Yes, thanks. Mr. Hamilton, I did not add up the number of units that you had. How many rental units have you got again?

MR. HAMILTON: I have the statement on rentals here, right here, if you want it, an itemized statement.

MR. TURNBULL: How many rental units have you got?

MR. HAMILTON: Six, as I mentioned before.

MR. TURNBULL: Six. And where are they, are they in the City of Winnipeg or where are these units? All in Winnipeg?

MR. HAMILTON: Yes, they are all in Metro Winnipeg, yes, all in Metro Winnipeg; in fact the west end.

MR. TURNBULL: Okay. You were talking about bankruptcy, you mentioned that one of your tenants had gone bankrupt.

MR. HAMILTON: Yes, well that happened in this case. As I mentioned, I turned some of these rentals over to a rental board to look after, my wife was sick in the hospital for a year at the time, I was kind of crowded for time, and I turned some of these rentals over to one of the prominent rental firms in Winnipeg to manage. I could name the name but it wouldn't be necessary. They managed it but all they did was collect the rent if the rent was brought in to them. You can understand they can't afford to pay a fellow \$35,000-\$40,000 to look after these properties and put much attention to them. I look after them, I don't get anything out of it, and I do a better job than they would because I've had the experience. I mean I'm a retired farmer and I can fix things . . .

MR. TURNBULL: I married a farmer's daughter and I know the father-in-law can do a lot of good work.

MR. HAMILTON: A farmer has to be a sort of a jack-of-all-trades or else they'd go broke.

MR. TURNBULL: Especially in the old days, not so much now. But I wanted to know particularly whether this tenant who went bankrupt was in commercial premises or in residential premises of yours?

MR. HAMILTON: They're just houses, they're just rental houses.

MR. TURNBULL: Oh, it was residential, right.

MR. HAMILTON: We try to co-operate with the tenants, we try to make good feelings with the tenants, it's the only way to get along with them. If you're too tough with the tenants then they get resentful and they don't try to keep the property up. Do you agree with that?

MR. TURNBULL: Yes.

MR. HAMILTON: I think everybody will agree with that. All a person has to do in this world - I think the tenant has a land of opportunity. My father and my father-in-law started homesteading with nothing at all. I went through the '30s and the "Roaring '20s" as you know, when in the '30s we sold wheat for 34 cents a bushel and barley for 16 cents a bushel. You couldn't even grow it at that no matter how you did it, you couldn't possibly grow it at that. You lost money on every bushel you grew. I've lived through these things and the hard ways, and all I think a person needs to do in this world is to use a little bit of horse sense and you will get along. Right?

MR. TURNBULL: That's right. Do unto others as you would have others do unto you, eh?

MR. HAMILTON: Right.

MR. TURNBULL: Mr. Hamilton, you talked about appraised value, this was value determined by an appraiser?

MR. HAMILTON: Yes, it's appraised maybe a few months ago or a year ago probably.

MR. TURNBULL: I'm sorry I can't hear you.

MR. HAMILTON: In one case I sort of brought them up-to-date. Some of these properties are worth more now than what they're appraised at. I'm sure they are.

MR. TURNBULL: They're worth more than they're appraised at?

MR. HAMILTON: Now, for instance, I'll take on this one here, the first one that I mentioned now. It's appraised at \$35,000, it's an older type house but it's in good shape, it has two 57-foot lots, 130 feet deep, just imagine all fenced around, it's like a park, an ideal setting, and yet I appraised that thing at \$35,000, the lots themselves are almost worth that . . .

MR. TURNBULL: Right. Okay then, so the appraised value is actually lower than the market value. Did you base your rate of return, the profit value that you're giving us, did you base that on the appraised value? Is that your revenue based on your appraised value?

MR. HAMILTON: I have a list of everything here if you want it.

MR. TURNBULL: Well you can leave me the list if you want. I just wanted to know . . .

MR. HAMILTON: I can leave it with you.

MR. . . .: He doesn't hear you, Mr. Minister, he has appraised it, the percentage on his appraised value.

MR. TURNBULL: Right. So the profit you made . . .

MR. HAMILTON: Yes, I had these properties regularly appraised by an expert appraiser two or three years ago, and then I brought them up-to-date a year ago like, you see, it costs a little money to get these appraisals done, and in some cases I think I know these properties better than the appraisers. Because now, for instance, take this older type house, we done some repairing there and the wood underneath those shingles is fir, far better than the new ones you get right now. I think anybody that is up on property will realize that. The older type houses if you keep them up they'll last a lot longer than any of you men here will.

MR. TURNBULL: All right. You don't know what your rate of return is on your equity?

MR. HAMILTON: Pardon?

MR. TURNBULL: Do you know what your rate of return is on your equity?

MR. HAMILTON: On the equity? I gave it all to you here.

MR. TURNBULL: Pardon me.

MR. HAMILTON: I gave you the percentage on appraisal.

MR. TURNBULL: Right.

MR. HAMILTON: That's what you want?

MR. TURNBULL: No, I wondered if you had your rate of return on your equity?

MR. BILTON: The rate of your return on your equity is the question.

MR. HAMILTON: The rate of the return, well how do you mean the equity? The appraised value is the only thing you've got. You see . . .

MR. TURNBULL: That's all you've got.

MR. HAMILTON: . . . these properties you've got to keep up its values, the values change every year, as you know, with the inflation like we have now properties are not the same as what they were ten or fifteen years ago. The cost of living isn't the same. You have got to have more to live on than you did ten years ago.

MR. . . .: Mr. Hamilton, the question that the Minister wants is he wants to know how much you have invested in these properties and do you base your return on it? Is that right, sir?

MR. TURNBULL: Well he told me the answer, he told me that he doesn't base his return on his equity, therefore I'm asking him what his return would be on equity?

MR. . . .: Oh, this is on appraisal . . .

MR. TURNBULL: Right.

MR. . . .: On equity, he wants to know how much would it mean on your first. . .

MR. HAMILTON: Well are you trying to get back to what they cost me?

MR. TURNBULL: Well, yes, if that's the way you want to put it.

MR. HAMILTON: That isn't a fair basis to go on because costs ten or fifteen years ago are a lot different than what they are now, in fact, you couldn't live on what . . . the cost of living is a lot more. You've got to go on the current evaluation in my estimation. Fair enough? I'm just trying to be fair, I want to be fair to the Rental Board, I want to be fair to myself or else I'd go broke, wouldn't I?

MR. TURNBULL: Well it's also inflationary, of course, Mr. Hamilton.

MR. HAMILTON: And I have to be fair to the tenants, that's all I can do. I believe in fairness. Also I believe a person that has a certain amount of common sense and horse sense in this world they can get through, Canada is a land of opportunity if a person tries. But if you don't try, if you spend your money in the beer parlour, well your money goes, doesn't it?

MR. TURNBULL: I don't know if that's how money goes, Mr. Hamilton. But could I ask you this, Mr. Hamilton . . .

MR. HAMILTON: The government has got to run on the people's savings, right?

MR. TURNBULL: On its which?

MR. HAMILTON: You can't take it from a guy that's spent his money and then if you discourage thrift, if you discourage savings, why you discourage any incentive to work. Everybody would be on relief.

MR. TURNBULL: If you discourage savings, that can happen. Tell me, Mr. Hamilton, I gather you appraise your properties pretty regularly, almost every year?

MR. HAMILTON: I try to keep up with things, I try to manage things efficiently, I try to have the properties appraised regularly, yes.

MR. TURNBULL: And then you base your rents on the appraised value?

MR. HAMILTON: No, I don't exactly base the rent on that because my rent certainly wouldn't begin to pay the fair investment on appraisal, you should realize that. My rent wouldn't begin to - in the first case, I try to be fair to the tenants, I don't like to be too tough on them so I'm under-renting them all, under-renting them all below what they cost as an investment. Fair enough?

MR. TURNBULL: Okay, Mr. Hamilton, thanks.

MR. CHAIRMAN: Mr. Bilton.

MR. BILTON: I have a question, Sir. These figures that you gave us, they don't include any earnings, you contribute your workmanship or you contribute your time for nothing, is that so?

MR. HAMILTON: Exactly, yes. Another point, as I mentioned before, I'm a retired farmer, a farmer to be a successful farmer has to be a mechanic as well, has to be sort of a jack-of-all-trades. I can do a certain amount of repairing and probably better than some of the ones you hire, and I go there and I spent four or five days on one of these properties, free for nothing . . .

MR. BILTON: You don't put a figure on that work?

MR. HAMILTON: I don't put a figure on that at all, I do that entirely free.

MR. BILTON: Thank you, Mr. Chairman.

MR. HAMILTON: How cheaper could you run that. If you hired a board to run that, it's a \$35,000-\$40,000 management thing, they wouldn't do it as well as I do, they don't understand it as well. Any more questions, Mr. Chairman?

MR. CHAIRMAN: I have no more questioners, thank you very much, Mr. Hamilton.

MR. HAMILTON: I'm a firm believer, Mr. Chairman, that we need a certain amount of rental accommodation but we've got to be fair with it, there's got to be a fair return to the investor, to the owner, I don't like this word "landlord", there's got to be a fair return to the owner or else we'd all be on relief, wouldn't we? Fair enough? Thanks for your attention, gentlemen. I didn't want to take up too much of your time.

MR. CHAIRMAN: The committee will be meeting again at 8 p.m. this evening. I have Mrs. Audrey Delaronde - is Bert Huebner here? Alison Campbell? Mr. Friesen,

(MR. CHAIRMAN cont'd) I believe Mr. Friesen is here. You'll be on deck second this evening --(Interjection)-- Mr. H. A. Friesen, right? Mr. P. E. Kostas, Mr. Bernard Oster, Councillor Frank Johnson, Shirley Williams-Fowler, Mrs. Merle McCullough, --(Interjection)-- Councillor Galanchuk, I believe is presenting that brief. Mr. L. B. Alsop. Well then this evening we will hear Mrs. Delaronde, Mr. Friesen, Mr. Alsop. Committee rise?

(Committee rise.)