

21. The Cabinet, after discussion, noted with approval the Minister's intention to postpone the lifting of meat rationing in the immediate future.

Rental controls; proposed modifications

22. The Minister of Finance reported that the Wartime Prices and Trade Board had been giving careful consideration to the desirability of some adjustment in rent control in line with changed conditions and the government's general policy of gradual decontrol.

The commercial field was deemed the more appropriate for first attention. Accordingly, it was proposed to remove completely from rental control three categories of commercial properties as follows: new buildings, properties legally becoming vacant, and sub-leases of properties as a whole. On all other categories of commercial lease an increase of maximum rental of 25% would be permitted, subject to certain conditions to protect the lessee's security of tenure. Landlords would be granted the option of continuing present month to month arrangements without any increase or entering into a two-year lease with the increased rental. The two-year lease would contain a 30 day cancellation clause in favour of the tenant. If the tenant would not accept a two-year lease he could be required to evacuate the property.

Present arrangements whereby five-year leases could be freed from rental control would be modified to reduce the period to three years.

23. Mr. Abbott continued that widespread public support for controls on domestic dwellings would require government continuation of these measures for a considerable time.

Nevertheless, it was felt that substantially increased costs and other factors called for some adjustment particularly in relation to dwellings which had been constructed prior to January 1, 1944, the date from which maximum rentals were established on a basis of construction costs.

Accordingly, it was suggested that, without modification of other rental and housing regulations, increases be permitted in rentals of domestic dwellings constructed before January 1, 1944. Such increases would be limited to 15% in the case of heated dwellings and 10% in the case of unheated dwellings. An offer of a two-year lease would be required in these circumstances and, if the tenant refused, he could be evacuated at the end of his current lease.

It was also proposed to remove rent control completely from rooms in seasonal hotels and boarding houses.

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