

*Supply—National Revenue*

me is that there are still 52 who have not signed the leases. I do not know what choice these people had but to sign these increased rentals because they have had every possible form of duress imposed on them. They have been told repeatedly that they are going to be put out. When a man and his family are faced with the prospect of being evicted, he signs a lease no matter what the increase in rent.

I would certainly like more information than we have been given this afternoon as to why these increases in rent were necessary, whether this is an actual economic rent based on costs to C.M.H.C., or whether this is once more an attempt not to disturb the market. I would like the minister to inquire of C.M.H.C. just to what extent rentals in other projects are carefully checked, and in this connection I would like to draw his attention to a project in my own constituency.

I have already written him about it and he was kind enough to send me a reply. It has to do with the Woodland Park apartments in Port Moody, B.C. Though the minister has told me it is under the name of Port Moody Garden Apartments Limited the letters have all been sent out by Midwest Property Management Limited of 12,220 125th avenue, Edmonton, Alberta. I have a copy here of a letter which has been sent to one of the tenants in the Woodland Park apartments at Port Moody—

**Mr. Nicholson:** On a question of privilege, Mr. Chairman, I think I told the hon. gentleman in my letter that I was convinced it must be this other organization. We know nothing of this midwest body. This is a limited dividend project. We have loaned money to them but we are not the landlords.

**Mr. Douglas:** I am quite aware the minister is not the landlord. However, I am pointing out that this particular landlord, as I pointed out in my letter to the minister, has posted in front of the property a sign which I myself have seen many times saying, "Government controlled rent—\$76.50 for three bedrooms," and also giving the cost of the other suites. The tenants are told when they sign a lease that these are government controlled rents and that they cannot be increased without the consent of C.M.H.C. That is the question I am raising—

**Mr. Nicholson:** Would the hon. gentleman allow me to answer it?

**Mr. Douglas:** No, I should like first of all to put the problem before the minister. In this particular instance, in the middle of the

[Mr. Douglas.]

year—this is a new project; people have only been in this apartment a few months—the rents were raised by \$6 a month. That is \$72 a year. And the reason given for increasing the rents was that taxes had gone up, and apparently C.M.H.C. which controls the rents authorized an increase. What I want the minister to tell us is the extent to which C.M.H.C. reviews these applications for increases in rents. I am sure the minister realizes the prospective tenants take seriously the fact that they see a sign in front of a housing project saying "Government Controlled Rents". They believe that having signed a lease the rent agreed on is at least good for a year, and that if there are any increases they will be justifiable. It is difficult for me to believe that in five months taxes on this project, a 100 house project, had gone up by \$7,200 a year in respect of two high rise apartments. I want to know what attempt has been made to police this arrangement. There are two possibilities. Either the corporation is simply granting to these limited dividend companies the right to increase rents without a very careful examination of their financial statements, or factors other than taxes have been taken into consideration. I want to urge the minister and, through him, the corporation, to check very carefully these applications for rent increases by limited dividend companies. These companies do manage to attract tenants by virtue of the fact that they can advertise that rents are government controlled. If they are going to use this as a gimmick, then the Central Mortgage and Housing Corporation in turn has the responsibility to see that the rents are, in fact, controlled and that they are not raised half way through a year on the excuse that taxes have gone up in the course of the year, if they have not done so to such an extent as to make the increases justifiable. I should like to know whether in this case taxes actually went up by \$7,200 in one year. I recognize that the corporation is responsible for a great many projects which are going on across Canada and that it has a great deal of work to do, but if these companies are given the right to advertise that rents are government controlled, then C.M.H.C. surely has a responsibility to the tenants to see that the rents are controlled and that any increases which are authorized are justifiable and necessary.

**Mr. Stenson:** I have no intention of delaying the committee for long but there are a few observations I wish to make. Earlier this year