

RENT CONTROLS are PEOPLE CONTROLS

On the basis of their performance over the last decade, rent controls must be condemned on both practical and moral grounds. They are objectionable in practice because *they do not work*; they are morally reprehensible because *they violate individual rights*.

When rent controls were first introduced to Ontario in 1975, they were justified as a necessary reaction to that period's inflationary surge. Even though average rent increases in 1974 were lower at 8.3% than the general increase in prices of 10.9%, a cry went out for rent controls to parallel the federal government's *wage and price controls*. Assurances were made that these controls would "only be temporary" and would expire with the expiration of other government-imposed controls.

Needless to say, that never happened.

To understand the practical failures of rent control, consider the findings of the *Fraser Institute* which objectively analyzed the effect of rent control in six different countries over the last half-century. In every case, government intervention produced a mix of housing deterioration, haphazard income redistribution, an increase in racial tensions and discrimination, a decrease in tax base, a reduction in labour mobility, and a reduction --- often to zero --- in apartments available for rent.

Not surprisingly, this is becoming an accurate description of present-day conditions in Ontario. Rent controls in this province have produced a shortage in rental accommodation, not only because of income limitations placed on landlords and property owners, but also because of the uncertainty created within the rental and housing industry by government intervention.

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Worse, when shortages occur, the government continues in the error of its ways by trying to compensate for the shortfall through the creation of "low-cost" housing --- housing that is heavily subsidized by all of us, and which is usually inferior in quality. Almost all slums in Ontario were expressly built by governments in an attempt to do something about the legacy of rent controls, our catastrophic social welfare system, and taxes and controls levied against the construction industry.

To understand why rent controls are morally objectionable, consider that great common-law precept inherited from ancient Greece and underlying much of modern law, namely, the doctrine of *isonomia*, which states that "The law must bear equally on all, and not favour one citizen over another."

Bearing this principle in mind, consider what rent control legislation actually does: it prevents landlords from exercising their right to the fair market value of the service they provide, a right freely available to all their fellow citizens. It forces landlords to give an unearned and unagreed-to benefit to tenants, without recompense. It limits landlords' income, but not their costs. It reduces the value of their property, and it erodes their right to property by requiring them to expend a good twenty to thirty hours of unpaid labour should they choose to appeal to the *Residential Tenancies Commission*.

And are our politicians punished for their legislative assault on the rights of this particular minority group? Not at all. They are, in fact, rewarded by grateful tenants who, falsely believing that they are benefitting from the process, give them votes bought and paid for by blatant discrimination against the landlord.

Freedom Party believes that the *purpose of government* is to *protect* our freedom of choice, *not* to restrict it.

When landlords lose their freedom of choice, we all lose, because our acceptance of discrimination against one particular group of individuals merely sets the stage for another group of individuals to be exploited for political gain. And of course, this is happening all the time.

Rent controls, like all controls, are really *people* controls. And people --- *all* people --- are entitled to their freedom of choice.