

*Adjournment Debate*

## HOUSING—INTRODUCTION OF SHELTER ALLOWANCE PROGRAM

**Mrs. Margaret Mitchell (Vancouver East):** Mr. Speaker, on March 9, I directed several questions to the minister responsible for CMHC. I asked whether the minister intends to use shelter allowances as a means of doing away with rent controls since he was quoted on March 2 in the *Toronto Star* as advocating the lifting of rent controls as a means of holding down inflated house prices. This is a theory I cannot comprehend because I believe that shelter allowances without rent controls inevitably will inflate, not reduce, shelter costs.

The minister asked me to direct these questions to provincial ministers, despite his earlier outspoken statements opposing rent controls. Of course, we know that he was muzzled by the Ontario election. The minister also refused a direct answer to my question about who will benefit from shelter allowances and how the minister intends to prevent rent gouging by landlords when there are no rent controls.

I was even more concerned when the minister gave no reassurance that the \$400 million required for shelter allowances would in no way limit the amount of CMHC funds which are urgently needed for non-profit housing and for community service grants required for municipal land banking programs.

● (2220)

My concern was based on the fact that CMHC capital funds recently were cut back by \$2 million and allocations for non-profit housing were reduced by 5,000 units, very severe cutbacks when affordable housing is desperately needed throughout all regions of Canada.

I cannot agree with the minister's theory that housing allowances would be less effective where there are rent controls. Rent controls allow landlords annual increments based on the rate of inflation, and they can deduct their costs from their income tax. One cannot expect landlords to subsidize low-income tenants, but they must not also exploit tenants by raising rents, as they would be tempted to do if shelter allowances were provided. Therefore, we must also have fair rent controls.

In British Columbia, a single parent with two children on social assistance is allowed \$325 maximum for shelter. Since most two bedroom apartments cost close to \$500, the difference must be paid from food allowances. Rent controls are essential to ensure that any additional shelter allowance would go to help pay present rents and would not result in rent increases.

According to a CMHC background paper, shelter allowances could relieve the housing woes of more than 400,000 families who spend a disproportionate amount of their income on rent. This proposal would cost close to \$400 million. I sincerely hope this is possible, but I am somewhat skeptical. In B.C. the SAFER program of shelter allowances for senior citizens costs approximately \$9 million and covers only 30 per cent of those over age 65. Most of them pay close to 40 per

cent of their incomes on rent, and only a small portion of this cost is covered by the SAFER allowance.

Although I support the concept of the shelter allowance, I would not want other social housing programs to suffer. In 1978, a report by the Canadian Council on Social Development contained the following statement:

No one program can answer all needs. At best, housing allowances would be a suitable program response for 51 per cent of problem households. . . . Housing allowances will not and should not serve as a replacement for the direct provision of subsidized housing units. Housing allowances are not a panacea. They are at best stop-gap measures.

I had hoped the minister would answer my question by saying that shelter allowances are needed, perhaps administered provincially and with shared funding from the Canada Assistance Plan. They should be part of a multifaceted approach to solving Canada's housing problems. However, if there are not enough apartments to rent or if these are of poor quality, all the allowances in the world will not provide adequate affordable housing. Therefore, we must protect and increase CMHC dollars for non-profit housing units and affordable land. We must extend RRAP home repairs, especially in older parts of Canada, and we must return to improved public housing to house low-income Canadians who desperately need help.

● (2225)

[*Translation*]

**Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, in reply to the hon. member for Vancouver East (Mrs. Mitchell) concerning shelter allowances and rent controls, I would say her question is twofold. As regards the shelter allowances, the minister did not announce that he had the intention of establishing such a program. I insist on that. He simply said that it might be a good idea to examine the subject. Mr. Speaker, the shelter allowances would represent a significant and additional advantage of social housing programs. He mentioned this subject so it could be discussed at the national conference on housing. The hon. member is aware that a certain number of sessions during that conference were devoted to social housing. The minister delivered a speech on social housing and housing for native people. There again he wanted to launch a discussion on that issue. I might add that at the closing session all the experts who took part in the forum said that although the conference had been very productive, not enough attention had been paid to the question of native and rural housing. It has emerged from the discussions held during the conference that the shelter allowance program may replace the current social housing programs. It has also emerged that non-profit co-operative housing programs are fulfilling a serious need in a tight rental housing market. I share this point of view and I maintain that the shelter allowance program has the advantage of better conciliating the current programs with the needs of tight renting housing markets. Finally, Mr. Speaker, it should be clearly understood from what he said that the shelter allow-