

National Housing Act

tenants are suggesting is well worth considering. The minister may already be aware of its contents. I should like him to tell us what he thinks about it.

• (8:40 p.m.)

These tenants representing four public housing projects in Vancouver said in August last that public housing in Canada, as in most modern countries of the world, is provided by governmental subsidy to assist low income families in obtaining a decent standard of living. They point out that most families on low incomes who enter public housing have experienced a period of economic difficulty and extreme stress. Very often they face additional problems such as poor health, handicaps, single parent responsibilities, a backlog of debt, unemployment, lay-offs due to strikes, personal or family difficulties. Moreover, in today's cities families with several children cannot find alternative rental accommodation at rents within their means.

The tenants point out that present policies with regard to the charging of rents in public housing are often discouraging and defeating to families and result in increasing numbers of families requiring continuing public support through social assistance. A family head, supported by social assistance, who is trying to find work and become independent is often discouraged from doing so because he or she will lose important welfare benefits, for example, coverage in respect of the family's medical, dental, optical and prescription costs. Going to work involves additional expenses—clothes, transportation, child care—and a working person's rent is charged on gross rather than net income whereas recipients of social assistance pay rent on the basis of net income. Welfare cheques are insufficient to cover the family's bare necessities; yet many tenants who are working are much worse off than they would have been had they remained on social assistance. Present rental policies, they say, are not helping to alleviate this situation. A rent scale based on net income for wage earners would provide some incentive.

I know something about the families in several of these housing projects. I realize there are families whose rehabilitation would be difficult. I also know there are other families which could be helped by incentives. These are the people, I believe, who are now banding together to consider ways and means. They say that teenagers or wives who might work part time to improve the family standard of living are discouraged at the present

[Mrs. MacInnis (Vancouver-Kingsway).]

time particularly if the family is on social welfare. Welfare policies allow only \$25 a month as extra income for parents working. Rental policies penalize families whose casual earnings are in excess of \$250, because rent is then charged on the full amount. In other words, if they earn \$249 no rent is charged but if they earn \$251 rent is charged on the full amount.

The brief points out that in recent years compulsory deductions at source from a working person's pay cheque have greatly increased. Working people living in public housing pay rent calculated on income part of which they do not receive.

When a working person's pay is increased to meet the rising cost of living he loses a considerable benefit because deductions at source are also increased and his rent goes up. Persons on low or improving incomes who wish eventually to move out of public housing, and there are many of them who do want to move out because there is a stigma attached to public housing, find it very difficult to do so because a disproportionate amount of their increased earnings goes toward higher rents. This prevents families from saving a small down payment to buy a house, which often is the only alternative accommodation available to families with several children. The tenants say that a rent scale based on take-home pay rather than on gross income would do much to help all families in public housing projects.

I understand that the rental scale is fixed jointly by Central Mortgage and Housing Corporation and the provincial government. These people believe that policies with more liberal incentives would assist more tenants to become permanently employed and help families who wish to move out to become established in the larger community, thus freeing space for other low income families and resulting eventually, in more families working part time or full time as an alternative to social assistance, thereby saving taxpayers' money.

The tenants make two definite proposals:

1. That wage earners living in public housing projects be allowed a 15 per cent blanket deduction from gross earnings to cover compulsory deductions before assessing the amount of a tenant's rent.
2. That a basic exemption of \$250 of casual earnings per year per family be allowed before calculation of rent and that subsequent increases in rent be calculated on amounts of casual earnings over \$250.