

that it was not spent for the purpose of meeting need but for the purpose of increasing profits.

I am relieved to hear the Minister assure us at last that rent geared to income contributions of low income tenants will not be required to exceed 25 per cent. I hope he will be firm with the Minister responsible for housing in British Columbia who does not agree with that. However, he has not indicated what the areas will be which are adequate where there will be no social housing built or what the areas will be that are inadequate where there should be social housing built. He has not even indicated the criterion for that. He has not defined the areas. He has not said how long the supplements will last.

It is also good that he has decided to remove the limitation of urban RRAP so that the rehabilitation programs are no longer confined arbitrarily to certain city areas but can be extended as needed in the regions around the cities. However, there is the question of how he will control the use of the increased per unit allowance for rehabilitation. Who is going to get the money? Will it be non-profit groups, co-op groups or will it be speculative builders and renovators for profit? How is he going to carry out his intent of making sure that the low income tenants benefit by that program or, indeed, that the low income tenants are allowed to remain in the buildings once they have been upgraded?

The biggest disappointment in the Minister's statement is his blind and unexplained reliance on rent supplements. There is plenty of evidence which I would have thought the Minister would have reviewed to show that rent supplements are a failure as a way of providing social housing or as a way of providing for those who cannot, at present, afford decent housing. I want to refer not to a study by a New Democratic Government, not even to a study by a Liberal Government, but I want to refer to a study by a Conservative Government, the Government of Ontario, in 1981, whose Standing Committee on the Administration of Justice published the results of an exhaustive review of the programs in operation of the Ontario Housing Corporation. In this study they state, and I quote:

The Ministry of Housing support a variety of public-assisted housing programs, but give preference to non-profit, co-operative housing and OHC owned and operated public housing. The current rent supplement program should be phased out gradually and the units should be replaced by others provided under alternative programs.

Their principal objection to rent supplements goes directly contrary, on the basis of their study, to the principal argument commonly used by the Minister and his associates in the building industry. Their principal objection is that it is not cost-effective. Their further objection is that there was no long-term investment achieved and no increase of housing stock. They do acknowledge that in the early 1970s with high vacancy rates and lower housing costs the increasing real incomes and relatively low inflation rates made this assumption seem not unreasonable. However, under present conditions, and likely future conditions, low income households are generally not experiencing real increases in income but their housing costs are rising in real terms.

The same finding is made by another Government which is not considered left-wing, that is, the Congress of the United

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States. In their study of rent supplement programs they came to the conclusion that the rent supplement programs resulted in higher rents than would have been charged without rent supplement. The premium, they said, averaged 24 per cent higher than comparable, unsubsidized housing in the market leading to an estimated \$213 million extra cost to the public for the approximately 250,000 units provided in 1980.

Two Governments have done careful studies of rent supplements and found that they are a failure. Yet, the Minister is moving to use rent supplements, in part, as a substitute for what these other Governments have found worked better. It is very disappointing.

In regard to RRAP, one question that the Minister teases but does not answer, as I said before, is: Who will get the \$3,500 to \$12,000 per unit? There are in Ontario alone tens of thousands of rental apartment units jerry-built during the 1950s and 1960s with the get-rich-quick programs provided by the then federal Governments which now need rehabilitation. The question is: Will RRAP be used to rehabilitate those and so increase the equity of the landlords, or will the rehabilitation funds be used to enable the residents of those buildings to buy those buildings and operate them as non-profit or as co-operative corporations, which has been found to be the most efficient way to ensure maintenance?

The Minister has not explained what he means when he says that assistance level would depend on the relationship between the rents on the property involved and the local rent. In other words, is he saying that if the rents and the maintenance are low there will be no rehabilitation grant?

On the matter of the disabled, it is good that he has again raised the grants for disabled housing to compensate for the previous cut. However, the aid he gives should be directed to the needs of the disabled, and not, as in the case of COPOH, the needs of the non-disabled. That is to say there are things that are needed in houses of the disabled that are not needed in ordinary houses, such as paved driveways. The Minister should have some regard for how that money should be used.

The Minister has claimed that co-op housing has not met the low income target. In fact, co-op housing as designed by the several Governments, including provincial Conservative Governments, has provided, on average, for 40 per cent to 50 per cent of its units being rent geared to income, which is meeting the target group. They did not put them into ghettos of 100 per cent rent geared to income units. However, the terms the Minister tosses about with respect to moderate and middle income are so undefined that even when he talks about the working poor we do not know which groups he intends to benefit beyond the absolutely rock-bottom core welfare poor.

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It is also disappointing that the Minister talks about consultation with the provinces and the industry but never about consultation with the tenants who have organized in many parts of this country, or non-profit and co-operative societies. In other words, he will sit in a back room with the builders, bankers and provincial colleagues and not seriously listen to