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AN EXAMINATION OF SOME ASPECTS OF PUBLIC HOUSING POLICY
FOR SENIOR CITIZENS IN BRITISH COLUMBIA

by

Marc Gregory Hale
B.A., Simon Fraser University, 1977

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS
in the Department
of
Sociology and Anthropology

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An Examination of Some Aspects of Public Housing Policy

for Senior Citizens in British Columbia

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June 30, 1981

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ABSTRACT

This thesis examines the development of public housing policy for senior citizens in British Columbia from 1949 to 1979. It locates public housing construction policy within the social-historical context of the development of social welfare programs in Canada and seeks to establish why particular policies have been adopted and what they have accomplished. Specifically, this study was developed in order to discover why recent political decisions to discontinue public housing construction have been made at a time when growing numbers of senior citizens are finding it increasingly difficult to obtain affordable housing. Furthermore, this thesis was undertaken to supplement the limited research available from sociologists and other academics on the subject of policy changes within the sphere of social welfare development.

Research into public housing was approached with the knowledge that the establishing of policy is a political and bureaucratic process that is often hidden from public scrutiny, as well as being susceptible to changing social, political, and economic conditions. Interviews, correspondence with government officials, and collection and analysis of government research documents have been carried out in order to determine housing policy. Furthermore, approaches to the analysis of the welfare state in general and the policy process in particular dealt with in sociology and political science research, journals of Canadian Welfare, academic books concerned about social work or social history, publications by the Canada Council on Social Development, and reports by government

researchers and consultants were surveyed. This led to the adoption of a social-historical approach which was subsequently used to clarify the policy process within the broader development of social welfare legislation and policy in Canada.

The case study seeks to show that separation of jurisdictional responsibility between provincial and federal governments contained within the British North America Act, and political and economic ideologies of elite groups have led to political resistance to the development of social welfare legislation and programs. Moreover, this thesis attempts to prove that this resistance to assumption of responsibility for the needy was also evident in the changes in social policy that led to the cessation of public housing construction in British Columbia.

DEDICATION

To

Louise, Andrea and Matthew

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CHAPTER I

INTRODUCTION

This thesis is an examination of one aspect of the operation of the welfare state in Canada. Specifically, it comprises a case study of the development of public housing policy for senior citizens¹ in British Columbia from 1949 to 1979. Public housing is described in this thesis as housing wholly owned, managed and constructed by government for those seniors deemed according to established criteria unable to obtain affordable accommodation without government assistance. This introduction will outline the tasks and problems to be dealt with in the thesis, specifying the methodology employed, and locating my concerns in terms of the existing literature on the welfare state in Canada. Finally, an overview of the remaining chapters of the thesis will be provided.

Since a comprehensive account of federal and provincial government involvement in providing public housing for seniors in British Columbia is lacking, this will be a central task of this thesis. Emphasis will be given in particular to important shifts in policy and programs that have taken place since 1975.

A second objective will be to analyze explanations offered by public officials about why fundamental changes were made to public housing policy since 1975. This analysis based upon an assessment of published documents, official statements, and personal interviews, contributed to an understanding of both why particular changes were made and how they were accomplished.

The final objective of this thesis will be to locate this particular study within the broader social and historical context of the development of the welfare state in Canada, and to relate some of the specific findings of this case study to existing theoretical perspectives on the genesis, nature, and operations of social welfare services in this country. Although some of the findings of this case study offer support for existing views, others point to certain gaps in our understanding of the welfare state in Canada. This thesis does not, however, purport to conduct research into the overall rise of the welfare state per se; instead it analyzes public housing policy development and some of its implications for senior citizens in British Columbia with respect to the existing literature on the welfare state.

A study of public housing for seniors is important because (1) the growing percentage of seniors in the Canadian population is rapidly increasing the demand for affordable quality built housing, (2) a dramatic alteration of British Columbia government housing policy in response to the demand for housing construction for seniors has recently occurred without much attention, and (3) because of a general lack of independent sociological analysis of changes in social welfare policy in Canada. Government interpretation of senior citizens' housing needs and the development of housing policy has taken place within the context of a growing senior citizen population and the general absence of independent sociological research into the formation and alteration of social welfare policy in Canada.

The first reason for initiating this study was that the rapid growth of the senior citizen population in Canada during this century has

increased the demands on governments to take responsibility for the housing of seniors. During the twentieth century federal and provincial governments began to respond to the variety of health, housing, and income needs confronting the growing proportion of seniors in the Canadian population. From 1881 to 1977 the elderly as a percentage of the total Canadian population increased from 4.1 to 8.5 respectively (Statistics Canada 1977:39; 1979:3). This demographic trend is expected to continue until the year 2031, when it is estimated that approximately 20% of the Canadian population will be 65 years of age and older (Statistics Canada 1978:16). Projections indicate that although 3% of the Gross National Product went to income assistance for seniors in 1976 this is likely to increase to between 7% and 14% by the year 2031 (Economic Council of Canada 1979:27).

Growing numbers of low-income seniors (i.e. those in receipt of Old Age Security and Guaranteed Income Supplement)² have accompanied the general increase in the senior citizen population in Canada. The low-income elderly have been steadily increasing until in 1977 they totalled 1,114,678, or 55.3% of seniors in Canada (Statistics Canada 1978:518). In other words, over half of seniors in Canada were receiving in 1977 Old Age Security and Guaranteed Income Supplement. This growing proportion and population of low income seniors has also created an increased demand for housing. It has been determined by the City of Vancouver that in 1976 approximately 20% of seniors (12,300 persons) living in Vancouver required some form of assisted senior citizens' housing (Vancouver, City of, Planning Department, July 13, 1976). This housing need was determined by the number of seniors living on low income and/or in substandard housing, and adding to this figure those seniors requiring health care and without

financial savings or family support to allow them to obtain the type of housing required for their specific needs. This City of Vancouver report, using population projections, determined that by 1986 that 5,600 more government assisted housing units were needed for seniors than what was presently available in Vancouver. As the senior citizen population of Vancouver increases from the projected 65,195 persons in 1986 to 112,580 seniors in 2001, the number of seniors needing housing can also be expected to grow dramatically (Vancouver, City of, 1979:Part IV (a): 21-27). Although these projections can only be tentative, they do point to an area of welfare state operations that is important and will become even more important to Canadians in the future.

It is not simply a matter of population growth and corresponding increase of low incomes that indicates growing housing need for seniors, but also the high proportion of income seniors who are paying rent that is in excess of 25% of their income. A 1975 housing survey conducted by the provincial government determined that 40,000 seniors in British Columbia were spending in excess of 25% of their income on rent (Runge 1976:51). Both the City of Vancouver and the provincial government housing survey concluded, in part, that public housing construction was one of the major means by which governments could alleviate seniors' housing needs.

The second reason for developing this study originated in an attempt to determine how the growth of seniors (especially, low-income) in British Columbia was related to the delivery of provincial government social services. Ironically as the research proceeded, it became increasingly apparent that instead of providing more housing for seniors, the government had in fact decreased public housing construction. In the areas of health care and income support, the provincial government had continued to provide very substantial financial assistance for seniors. Although federal and

British Columbia governments had since 1949 been in a position to finance jointly the construction of public housing for seniors, budgetary allocations had in practice fluctuated widely from one year to another. After 1972 provincial government public housing expenditures had increased dramatically, for three years, but construction expenditures for seniors declined rapidly after 1975. These changes in expenditures and housing construction followed directly the changes in provincial government from Social Credit to the New Democratic Party (hereafter NDP) in 1972 and back to Social Credit in 1975.

In short, after 1975 the provincial government, ignoring population projections of housing needs and demographic factors, opted out of a public housing construction program for seniors. This was a highly significant alteration in government policy from the public housing program that had been established previously. Thus this study was undertaken, in part, to determine why and how such a major shift in social welfare policy had been accomplished at a time when projections estimated a dramatic change in the proportion of seniors (especially, low-income) in need of public housing. This investigation sought not merely to obtain government policy statements but also to identify the processes involved in such a policy change and its implications for seniors in British Columbia.

The final reason for undertaking this study was that there are few independent sociological analyses of general developments in the social welfare sphere, let alone of public housing policy for seniors in British Columbia. Nevertheless, there does exist a large number of government commissioned consultant reports and vast collections of official statistics pertaining to public housing, the statistics of which are not always

totally reliable. These government publications seem to have two functions: to publicize government activity in particular areas of social policy and to justify alterations to government policy and legislation. Government produced literature, however, rarely attempted to explain how and why a particular policy had been altered. A general lack of independent sociological research in the area of social welfare policy, coupled with government supported research, have, thus, hidden from public scrutiny the actual processes that give rise to changes in social policy and programs.

Methodology

To conduct research on public housing policy it was necessary to correspond directly with various government agencies since few of the research reports consulted in preparing this case study were available in public libraries. This proved frustrating as responses received from officials tended to evade or outright ignore my questions about policy. I received many glossy covered government reports and descriptions of housing policy from both provincial and federal governments, but these reports gave little understanding of the circumstances of policy development and implementation. Compounding this situation was the practice of some government officials to respond narrowly to the specific questions posed without advising me of the existence of further information on the topic.

To supplement the rather limited information gathered through correspondence I began to interview public officials from municipal, provincial, and federal levels of government. Since municipal governments in British Columbia, for the most part, must provide the land and develop planning proposals before public housing construction is even considered by senior levels of government, I contacted municipal officials. These

officials, primarily from the Planning and Social Planning Departments of the City of Vancouver, stated that because housing was so expensive to construct they needed provincial government financial assistance to build housing for seniors. These municipal officials also indicated that the provincial government appeared no longer to have a public housing construction policy and noted that suggestions made by municipal governments about the need for housing were usually not acted upon by senior governments. These officials also suggested that there was a glaring shortage of housing for seniors in Vancouver and that this need was demonstrated, in part, by the number of seniors waiting for public housing operated by the British Columbia Housing Management Commission (hereafter BCHMC), an agency established by the provincial government in 1968 to manage and allocate public housing for seniors in British Columbia. From Vancouver City Hall I was referred to an official working in the BCHMC.

In the course of interviewing this official, I asked why public housing construction had been stopped by the provincial government, making reference to the fact that there still appeared to be a need for housing given the waiting list for public housing for seniors. The official informed me that seniors waiting for housing operated by the Commission had been decreasing in numbers since 1977 and, furthermore, that the Commission had not since 1976 had a waiting list for public housing but, instead, an applicant list. It was related by this official that this change from a waiting list to an applicant list means that seniors can no longer expect that they will be placed in housing once an application for housing is made. The official then flatly stated that most seniors' housing problems were related to income and not to a general shortage of housing (Personal

Communication, BCMHC: February 1979). This was a significant revelation; although municipal officials were convinced that there was a housing shortage, provincial officials viewed seniors as only having an income problem. It became clear as the research progressed that preoccupation with the existence of an income problem appeared to allow the provincial government to ignore housing construction for seniors, thereby exacerbating the problems of a growing senior citizen population, and an extremely low vacancy rate throughout most areas of the province. When I proceeded to ask why and how public housing policy had been altered I was advised that public housing for seniors was not an important issue in British Columbia and that I should get in touch with the Central Mortgage and Housing Corporation (hereafter CMHC).

A CMHC official informed me that public housing construction for seniors was stopped in British Columbia in 1979 as a result of a provincial government decision. This official further remarked that housing seniors was no longer an issue in British Columbia. Asked to elaborate on this last statement the official told me that it was a dead topic for research in British Columbia since the public housing construction program was no longer operating (Personal Communication, CMHC: March 1979). It became evident at this point that government officials were either hesitant, unable, or perhaps simply unwilling to answer questions concerning how and why the provincial government had altered its public housing policy.

Several interest groups and individuals were contacted to obtain a fuller perspective on government documents, correspondence, and interviews. Interviews conducted with representatives from the Social Policy and Research Council of British Columbia, Greater Vancouver Regional District, Downtown

Eastside Residents Association, and the Seniors Information Center in Vancouver provided a good deal of information that had not been forthcoming from federal and provincial government sources. These interest groups also enunciated many concerns and specific problems associated with government policy that had not been reported to me by government representatives. The task of interviewing a variety of sources was made all the more difficult when it became apparent that these groups and individuals were not always fully aware of the changes that had in fact been made in provincial government public housing policy.

I then retraced my steps back to the provincial government departments and agencies initially contacted. However, there still appeared to be a reluctance on the part of several government officials to assist me in my inquiries. For example, when arranging a second interview with the BCHMC I was informed by the official previously contacted that a subordinate government official of the Commission would assist me this time. While interviewing this second official of the Commission the first representative interrupted our discussion, walking into the room where the interview was taking place, asking the subordinate official: "Are you really going to talk to him?" (Personal Communication, December:1979). The speaker went on to comment that whatever is said in the interview could become public so that the official I was interviewing should watch what she told me. The interview ended abruptly with the government official remarking that she had no more time to discuss the subject of seniors' housing.

Interviews, correspondence with government officials and government research documents did not readily assist my research into the development of public housing policy and the decision-making process that had led to

the recent reversal of policy in this area. The reluctance of government officials to provide assistance, on the one hand, and the limitations of government documents on the other, inhibited my enquiry of government decision-making processes. In order to reformulate the relevant questions for this case study it was necessary to look beyond government documentation and to relate this particular area of study to the broader sociological literature on the welfare state in Canada.

Perspectives on the Welfare State in Canada

Sociological approaches to government decision-making in Canada have often been based on studies of the characteristics of those members of the political elite who exercise control over the Canadian state and the relationship between provincial and federal political elites. Although this literature provides a broad view of the characteristics of political elites it does not relate elites to particular social welfare programs such as public housing. As several sociologists have noted, political elites (usually thought to include members of federal and provincial cabinets),³ can be depicted as a small group of individuals sharing similar education, ethnic origin, family connections, and social status (Porter 1965; Clement 1975; Ogmundson 1976; Forcese 1980; Olsen 1980). As the federal political elite has historically consisted of individuals of high status and income (Presthus 1973:275), the ability of this elite to be sympathetic to the demands of those in need of shelter and income assistance is presumed to be impaired (Ogmundson 1976:210). This lack of sympathy could both affect the provision of social welfare measures and further separate the political decision-making process from those in need of government assistance.

It has also been found that the relationship between federal and provincial elites has generally led to political inaction regarding social welfare policies. Dennis Olsen contends that the Canadian state (a combination of political, judicial and bureaucratic elites) has changed from a dominant central state system prior to World War II to a polycentric state fragmented into eleven different governments. This alteration of the central state has resulted in the emergence of a multitude of provincial and federal elites, each attempting to look after their own often conflicting interests. As Olsen notes, the fragmented jurisdictional responsibility can result in government inaction:

There are so many shared or grey areas of responsibility in the web of contractual arrangements between governments that only constitutional lawyers and government financial experts really understand where "Responsibility" lies (1980:13).


This "grey area" can act to obscure the decision-making processes to the public thereby allowing both federal and provincial elites to deflect public criticism of government inaction to each others' jurisdiction. Also, this "grey area" accommodates political elites who wish to disassociate themselves from contentious issues that could possibly result in public criticism of their actions.

Djao (1979), using a social-historical approach similar to that employed by Olsen, goes beyond this position to look at the nature of government social policy that has been implemented. Djao depicted the ideal of the welfare state as the government enacting social legislation to guarantee every citizen a minimum level of subsistence. In the Canadian case, the emergence of social legislation is perceived as a political response to crisis situations, such as economic depression of the 1930s, rather than a long-term commitment to meet the ideal of the welfare

state (Djao 1979). Forcese supports Djao when he concludes that the political elite have not attempted to alter the uneven distribution of resources in society but instead have only responded to occasional dissatisfaction caused by this uneven distribution of wealth and influence (Forcese 1980:153).

Olsen and Djao have established that to comprehend the actions of political elites it is necessary to go beyond simply a description of their characteristics within the social-historical context of elite accommodation and crisis management. Both Djao and Olsen have been able to contribute to the understanding of the role of political elites and the welfare state by observing trends and patterns of political behaviour within a social-historical context. Thus with the use of a social-historical approach Djao and Olsen are able to both describe the behaviour of politicians within a specific historical context and also to explain this behaviour in reference to the wider emergence of social welfare legislation in Canada.

Sociologists have not, however, detailed the relationship between the general socio-political environment and the development of specific items of social policy. Determination of social policy encompasses, among other things, the definition of the characteristics of the needy, the basis for determining what needs prospective clients have, how these needs are to be met, and the amount and kind of funds and services to be expended by government to meet these needs. Although sociologists have recognized the significance of the welfare state within the Canadian social system and have examined the structure of the political elite operating within this welfare state, they have yet to connect the structure of elites, the enunciation of public values, and actual implementation of government policy in any specific



area, such as public housing policy. Thus although sociologists' treatment of social welfare policy in Canada has enunciated several of the important issues to be developed in this thesis, one is still faced with the question of how to develop an empirical case study which depicts how a social policy such as public housing construction for seniors was actually determined and implemented. This concern led me to review the specialist literature on social welfare policy development in Canada and the political science literature on public policy and decision-making in Canada.

Specialist literature on the welfare state in Canada has traditionally appeared in the journals such as Canadian Welfare, in academic books concerned about social work or social history, publications by the Canadian Council on Social Development, and reports by government researchers and consultants. The specialist literature, in contrast to sociological literature, does deal specifically with the issue of public housing. Books published by academics have been mainly descriptive, though some are critical of specific government policies (Armitage 1975; Bryden 1974; Wallace 1950; Hawkins 1972). Although these studies discuss the general social, political, and economic environment present at the time of enactment of any one particular piece of social welfare legislation, they tend to be more descriptive than analytical and as such offer only limited information on policy making processes in Canada.

Articles published in the journal Canadian Welfare, as well as works published by the Canadian Council on Social Development, a non-profit volunteer social research organization, tend to be more critical in their treatment of government social welfare programs operating in Canada and in reviewing current issues and books on the subject. There is, however, little attempt made in most articles appearing in this journal to describe the

policy process itself or to explain the significance of government policies by comparison with other research on social welfare programs. Although these articles are a good source of information on government policy, legislation and practices, they tend to approach governmental policy piecemeal, in terms of specific programs instead of taking into account the broader social, economic and political forces present in Canadian society.

In addition, the federal and provincial governments employ their own researchers and policy advisers to recommend social policy directions. In the area of housing for seniors, there are, however, two basic problems with government sponsored research on housing for seniors. The first is that this research is usually non-cumulative, so its significance and relationship to other pieces of research are, for the most part, not articulated. The purposes and objectives of the government study are defined by immediate government priorities and do not necessarily relate to any past studies or research. Moreover, the recommendations generated are based upon incomplete assumptions regarding social welfare clients' needs and lifestyles. In short, recommendations tend to be based more on politically defined objectives than the conditions affecting those in need of government assistance.

A second and related problem is that although research is conducted for government by consultants, there is no guarantee that it will be made public. Books such as the Real Poverty Report (1971) and Programs in Search of a Policy (1972) are two examples of consultants showing their disgruntlement over the lack of public exposure of their research by publishing their findings themselves. This practice of not releasing consultants' reports unless it is in the government's immediate interest to do so does not directly aid us to understand the policy-making process.

The political science literature, as a third relevant approach to

the study of public housing policy encompasses a number of theoretical perspectives that are used to understand and explicate the policy-making process (Doern and Aucoin 1979; Simeon 1976). Each of these perspectives, however, has as its central purpose the understanding of the political, bureaucratic, and lobby group interests represented in government policy formation and the institutional context in which these decisions are made. This literature often deals with the question of how any given policy is determined. The central assumption of this literature is that political power is related to the decision-making process and is, in turn, influenced by the immediate social and economic environment in which political decisions are exercised.

One political science perspective, incrementalist theory, is a micro-policy approach that is primarily concerned with the behaviour of policy-makers in the decision-making process. Policy decisions are presumed to be made on the basis of narrowly defined and closely related alternatives that are articulated on the basis of existing policy. It is also recognized that given the resources for the implementation of decisions or a change in policy are usually spread across a number of political jurisdictions, the result of the decision-making process is a series of political and bureaucratic compromises. This process adds another dimension to the sociological literature since political elites can be depicted not only as operating within jurisdictional constraints and political priorities, but also within the confines of existing policy.

A second approach to the study of the policy process is the so-called "Public-choice" theory. This is a micro-policy theory which examines the decision-making behaviour of those individuals involved in the determination of policy. Simeon writes that this theory:

. . . seeks to build deductive models of individual behaviour and collective decisions from a simple set of assumptions, the most important being the assumption of self-interest (1976:577).

Politicians or members of interest groups are thought to operate on the basis of self-interest and economic incentives to be gained from the alteration and formation of government policy. This theory significantly recognizes that since most political interaction in the policy process is hidden from public view, the researcher must form "deductive models of individual behaviour." This is accomplished not simply by surveying and comparing policy statements, as incrementalists do, but by making generalizations on the basis of assumptions contained within policy itself. These generalizations not only assist in the explanation of why certain policies are chosen rather than others, but also in the prediction of political behaviour.

A third approach is the neo-Marxist theory of the state in liberal democracies. This macro-policy approach stresses economic factors in the environment such as concentration of wealth and power, which contribute directly to the political decisions that are made on government policy. The state, in this perspective, initiates policies that conform to the interests of those people in control of industrial production and labour. The policy process has three basic functions: to provide support for capital accumulation; to maintain social harmony; and to support the given social order (Panitch:1977). This neo-Marxist approach contends that policy decisions are not made independent of economic forces and interests. Moreover, although political elites are recognized as directly influencing government policies, these elites are not assumed to be operating in a policy vacuum since economic constraints are reckoned to play an important role in influencing political decisions.

It must be recognized that these perspectives on the policy decision-making process do not refer only to studies on political power and elite behaviour but also permit examinations of bureaucracies, public administration and interest groups. Nevertheless, while these approaches have contributed to particular descriptions of the policy decision-making process, they largely lack an explanatory impact, as Simeon writes:

. . . we have not really advanced very far in increasing understanding of how government policies and actions are to be explained or understood. There is a proliferation of isolated studies, and of different methods and approaches, but precious little in the way of explanation (1976:548).

Clearly, there is no single approach amongst political scientists for investigating, describing and explaining how and why policy is implemented.

It must be emphasized that both the political science and sociological literature on the policy making process within the Canadian welfare state are dealing with a subject that remains hidden, in great part, from empirical observation. Yet, in spite of the fact that we have rather less information than one would wish for concerning the precise circumstances and motivations that led to a change of policy in this case, it remains that this is an important matter that warrants investigation and analysis. One must, therefore, conduct such an examination with full recognition of these inherent limitations, while at the same time taking advantage of some of the techniques that have been devised by students of policy-making to compensate for lack of access to the inner sanctums of government. In consequence, this study comprises a systematic reading and analytically informed interpretation of the published and unpublished data that I have been able to collect.

In summary, a social-historical approach has provided a broad view of social welfare but not detailed analysis of particular policies. The

specialized literature on social welfare policies offered a chronological description of specific legislation but usually without an interpretation of why and how they were developed. The political science literature has examined the particular processes entailed in decision-making but usually without placing such action in the wider social-historical context. In this case study an attempt will be made to provide as detailed a discussion of a specific social policy, public housing, as the evidence available to me permits, and to explore how and why public housing policy decisions have been influenced by social, economic and political considerations.

In terms of the social-historical approach employed in this thesis, public housing is just one aspect of the developing welfare state. In consequence, significance of the case study is not simply in what it describes but what it represents and how it is related within the broader development of social welfare legislation and policy in Canada. Further consideration is given to this in the conclusions to this thesis.

Overview

Chapter II discusses the social-historical context in which social welfare policies have been developed. In the first half of the chapter the relationship between the traditional political elite role and changing socio-economic conditions is discussed with reference to the development of social welfare policies and programs. The second part of the chapter documents how and why changes in the roles of federal and provincial jurisdictions have directly influenced the construction of public housing for seniors.

Chapter III discusses the different approaches to social policy of the New Democratic and Social Credit parties. These approaches are placed

within a context of increased political interest in the housing needs of seniors. Here it is shown that the definition of an "income problem" in government and non-government research gradually became the basis for Social Credit public housing policy; this position is subjected to careful review.

Chapter IV examines the assumptions behind the initiation of a shelter subsidy program, Shelter Aid For The Elderly Renter (hereafter SAFER), by the Social Credit government. Moreover, this chapter analyzes various provincial government research reports on the SAFER program. Finally, possible reasons for Social Credit government's support of an "income problem" as opposed to a "housing problem" are examined against budgetary expenditures for housing and income programs.

Chapter V provides an analytical summary of the findings of the thesis. The first part of this final chapter describes the relationship between SAFER recipients and the criteria used by the BCHMC to place seniors in public housing. Moreover, given the lack of access seniors have to public housing accommodation, an analysis of seniors' quality of shelter is discussed with reference to government and non-government reports on the condition of shelter occupied by seniors. The last part of this section places the housing and rental shortages British Columbians are presently experiencing against the ability of a shelter subsidy to assist low income groups. The second part of this chapter examines methodological concerns for those researchers studying the welfare state in Canada. Finally, some of the theoretical concerns identified in the introduction will be undertaken in light of the findings of this thesis.

CHAPTER II

THE DEVELOPMENT OF SOCIAL WELFARE POLICIES AND PROGRAMS IN CANADA

Three dominant factors (British North America Act, political and economic ideology, and jurisdictional debate) have been associated with the resistance of politicians to public demands for government assistance. The vaguely worded jurisdictional separation of political power between provincial and federal governments within the British North America Act combined with a nagging resistance on the part of political elites to take responsibility for those in need of social services has directly influenced the implementation of social welfare measures in this country. The history of the development of most social welfare measures in Canada has been marked by the efforts of labour groups, municipal officials, the poor, charitable organizations, and occasionally, business interests to convince federal political elites to take responsibility for those in need of government assistance. Historically, the ruling federal political elite, whether Liberal or Conservative, have only responded to the need for social services when ignoring public demand for social legislation could signify the growth of widespread social unrest and/or political defeat at the polls.

Political responses to public demand for social services in the first half of this century were constrained by concerns about both the costs of programs and the traditional role of political non-intervention in the lives of individuals. The concern with costs led early social legislation to be

short-term, usually funded by the user, and of limited financial help to the needy (Wallace 1950). This concern with costs consistently kept most assistance offered by politicians to the needy near or below basic subsistence levels (Health and Welfare Canada, February 1979:11-13).

Before the economic depression of the 1930s the Canadian state was expected to protect industry with tariffs and tax laws and thereby to support the employment of people in Canada. Ideally the income received from a job would alleviate any need for state intervention to protect the individual with social programs (Finkel 1977:345). Djao writes of support for this laissez-faire approach to industry and the individual as forming:

. . . the essential ideology of industrial capitalism. It was argued, in theory at least that individuals on their own could and should achieve well-being, with little or no state intervention (1979:330).

However, traditional government support of this economic ideology became threatened when many of the industries that government had supported went bankrupt during the economic depression of the 1930s. In order both to maintain social order in the face of massive unemployment and to keep themselves in political control of the country, federal leaders desperately turned toward social welfare measures to appease those protesting for government assistance.

Federal political elites have sought to accommodate demands for social welfare measures and laissez-faire ideology by stressing the contribution of social legislation to economic stability and growth. In other words, if a particular social program or social need cannot be related, at least indirectly, to some larger economic gain, then it receives decided less government support. Consequently, although the ideology of government non-intervention in the lives of individuals has given way (in response to particular social, economic, and political

conditions) to the demand for social welfare measures, the traditional role of government support of political stability and economic prosperity has not been sacrificed. Although the Canadian political elites can no longer cling to the ideology of non-intervention in the social lives of citizens, jurisdictional debate between federal and provincial elites accomplished the same results as the outmoded ideology; resistance by politicians to assuming responsibility for both the rising costs of social programs and the growing demand for expanded assistance.

The development of social welfare policy and legislation in Canada took place within this historical context of changing economic and political ideologies and priorities of federal and provincial political elites. In 1867 families and charitable organizations such as the church, jails, and asylums were expected to care for those unable to provide for themselves due to age or advanced illness or other incapacity. Federal and provincial governments during the nineteenth century simply did not make budgetary expenditures or develop facilities for the socially and financially destitute (Armitage 1975:13). Government was not expected to provide social services such as housing, income support, and health care since families in the largely rural population of Canada were, for the most part, self-sufficient in protecting individual family members from economic and social hardship.

Economic depressions during the 1870s and 1880s, however, put increasing pressure on provincial and federal governments to assist charitable organizations and local governments in caring for those in need of assistance. Provincial governments responded by increasing grants to private agencies and municipalities for the care of the aged, sick, and unemployed. Public institutions and financial support were generally not

available for the aged or destitute as their indigency was, in great part, viewed by governments as ". . . the result of moral turpitude," and thus, was presumed to be outside the jurisdiction of either provincial or federal governments (Bryden 1974:341).

By the beginning of this century the self-sufficient rural farm family slowly ceased to be the normal family unit. Between 1901 and 1931 the population of Canada had increased from 5,371,315 to 10,376,786 (Dominion Bureau of Statistics 1965:19). Accompanying this growth of Canada's population was an increased migration to urban centers. Although in 1901 65.1% of Canada's population lived in rural areas, by 1931 only 47.5% of the population resided in rural Canada (Stone 1967:29). This decrease in the proportion of the rural population was due to industrialization, decreased economic opportunities in rural Canada, and the wartime economy that increased the need for centralized production of manufactured goods and munitions. One of the main consequences of this shift in population to the urban centers was the growth of labour groups and political activists pressing the federal and provincial governments for more social services and benefits (Wallace 1950:128-137). Growing urban populations, cyclical unemployment, and urban poverty created increased public demand for social legislation to protect those who could not care for themselves.

Although extremely limited types of government sponsored social service measures were operating in Canada by the beginning of this century, it was World War I that brought the first large-scale government involvement in the provision of social welfare measures (Economic Council of Canada 1979:121). The mobilization of Canada's people and resources for the war effort brought with it government intervention in other areas of Canadian life not previously directly affected by government. Rationing

of food, rent controls, business and labour controls, the War Measures Act of 1914, and personal income tax were all a direct result of the federal government's attempt to deal with social and economic difficulties caused by fighting a war. Veterans returning from the war in Europe expected the government that had asked them to risk their lives to help re-establish them in Canada.

In response to these demands, commissions of inquiry were established to consider the returning veterans' needs. The variety of measures undertaken both during and after World War I reflected an acceptance of the idea that there existed some degree of public responsibility for certain needs of individuals. Some of these new services and supports included the 1919 Soldiers' Settlement Act which helped settle veterans on the land, the Technical Education Act of 1919 which represented grants-in-aid to provinces for retraining veterans, and pensions for disabled veterans and for dependents of those killed in war (Wallace 1950:128-137).

Social welfare services were slowly expanded by both federal and provincial governments in the 1920s. By 1928 the Department of Pensions and National Health was established combining the federal Department of Health and Soldiers' Civil Re-establishment (ibid:123). However, beyond these administrative changes and the introduction of old age pensions in 1927, the federal government did not actively support social welfare legislation in the 1920s. Although the expanding economy of the 1920s buoyed provincial governments' revenues and increased the ability of the provinces to care for the needy, this was short-lived. The economic depression of the 1930s left all levels of government without funds and thereby threw into question the provincial and federal governments' abilities to assist the needy in the Canadian population.

As the value of real estate dropped during the depression, the provincial governments were not able to finance much needed social welfare measures (Van Loon 1971:197-198). The federal government reacted with two short-term cost-share programs; the Unemployment Relief Act of 1930, and the Farm Relief Act of 1931 (Armitage 1975:215). Federal and provincial political elites looked to the municipalities to initiate and fund social services themselves without assistance from senior governments. By the time of the Dominion Conference of Mayors in 1935, municipalities were without funds and were operating in a policy vacuum as Taylor writes:

Traditional modes of support, like the private sector had fallen away and non-traditional ones, like the senior governments, were adamant in their repeated refusal to assume responsibility. . . . There was virtually no direction from the senior governments. Nor was there any significant body of research on which to base a program (1979:19).

Pressure from labour groups, the Co-operative Commonwealth Federation, municipalities, and the general public resulted in Prime Minister Mackenzie King defining the roles of government, as Taylor relates, in the following manner:

The cities ultimately were given the task of delivering services, the provinces of regulating them, and the provinces and the federal authority of funding them (ibid:21).

This federal government response, however, proved to be more related to administrative theory and political expediency than the actual delivery of social services. Furthermore, this approach to social needs inhibited the development of social welfare measures as the existence of cooperation, largely assumed in the above quote, between three levels of government with different needs, financial resources and responsibilities is more an ideal than real.

Although the economic depression of the 1930s put specific pressures

on the federal government to alleviate the hardship of the needy, political elites only responded when a lack of governmental action would lead to political defeat. This last point became evident when the Conservative government of R.B. Bennett during the early 1930s responded to public demands for state services by repressing the demand, as Finkel writes:

Trade union organizing attempts were suppressed with state aid, Communists were imprisoned, militants of foreign birth were deported, and unemployed young men were put in remote camps where they received no wages and were fired upon when they tried to come to Ottawa to seek redress (1977:348).

However, social programs were proposed by the Conservatives when it became apparent to Bennett that his government's lack of social measures was being widely criticized by the Canadian electorate. The Bennett government, in its last months in political power, introduced social legislation which included unemployment insurance, a federal manpower agency, government mortgage lending agency, and various marketing boards (ibid:348). All of these measures were supported by the federal government as they facilitated the stabilization of the economy.

Moreover, although the Employment and Insurance Act was passed in 1935 to give the federal government responsibility for operating unemployment insurance in Canada, the provinces subsequently fought the jurisdictional legitimacy of the Act, delaying its implementation until 1940. The British North America Act had not anticipated the massive unemployment and general demand for public services that surfaced in the 1930s, and although public attitudes had changed from the time when governments were not expected to assist private citizens, provincial and federal governments still resisted the development of social welfare legislation.

The federal liberal government of Mackenzie King responded to the increased public pressure for government assistance by initiating the Royal

Commission on Dominion-Provincial Relations, the Rowell-Sirois Commission, in 1940. As the Rowell-Sirois Commission travelled across Canada it became apparent to the commissioners that political pressure from industrial trade unions, the Co-operative Commonwealth Federation, and political opposition parties was now being joined even by members of the economic elite in pressing for change. For example, representatives of the Montreal Board of Trade told the Commission that:

. . . taxation for the purpose of social services transfers purchasing power from the richer to the poorer classes, raises the standard of living of the poor, increases their demand for commodities and thereby tends toward industrial stability and prosperity (Finkel 1977:357).

This response was typical of submissions by business interests. It was significant that the business interests appealed to the federal government not out of the need for social justice and equality but from the need to develop "industrial stability and prosperity" (ibid:357).

When further social welfare legislation was eventually enacted in Canada it was in response to both the concerns publicized by the Rowell-Sirois Commission and public expectations of government assistance due to the conditions created by World War II. The 1944 Throne Speech regarding the need for family allowances is an example of the federal government response to these conditions:

As the years go by, family allowances can help to reduce sickness, disease, crime, illiteracy, inefficiency, and other social ills that have their roots in child upbringing. Since they are given to people who spend the money, they will meet a continuous demand for necessities which will result in increased production and employment (Hansard 1944:900).

References to economic as well as social benefits were made, and have continued to be made, to justify the implementation of social welfare legislation. Governments in Canada have resisted the public demands for social legislation that does not provide some larger economic benefit.

In response to public demands for more social services during and immediately after the Second World War, the National Employment Service Act in 1941, Family Allowance program, 1945, and National Housing Act, 1944, were passed and the Central Mortgage and Housing Corporation, 1946, was established by the federal government. While governments in Saskatchewan in 1947 and British Columbia in 1949 passed hospital insurance legislation to promote prepaid hospital care for the public (Armitage 1975: 211), it was the federal government to which the municipal and provincial governments turned to provide social services and financial assistance for the needy. By the 1950s a range of social welfare legislation had been created as a mix of social assistance, social insurance, and cash transfers.

In the 1950s the extension of income security programs resulted, in great part, from the influence of pressure groups. In the early 1950s labour groups in conjunction with business interests agitated for a universal pension plan based on right as opposed to the need principle of poor relief. These pressure groups opposed the use of a means test to determine eligibility, since people receiving an industrial pension would thereby be denied the federal government old age pension upon retirement. Business interests wanted the government pension to be universal so as to minimize the demands of labour leaders for increases in wages and private pensions to make up for the loss of government pension upon retirement.

The result of this lobbying was the passing of the Old Age Security Act of 1951 ". . . with some reluctance by the government of the day" (Economic Council of Canada 1979:122). In addition the Old Age Assistance Act was passed in 1951 to aid people between the ages of 65 and 70 on the basis of a means test (Armitage 1975:217). The Old Age Security Act extended pensions as a universal right to all people who had resided in

Canada for 20 years and who were over the age of 70 years (ibid:217). Old Age Security payments were intended to be only a supplement to industrial and other private pensions and thus could be maintained at relatively low cost levels by the federal government.

Other social welfare legislation passed in the 1950s included the 1956 Unemployment Assistance Act, Hospital Insurance Act in 1957, and Diagnostic Services Act in 1957). With further amendments in 1963 and 1967, eventually all provinces opted to participate in the federal government's health insurance scheme. As with most social welfare legislation, economic priorities and jurisdictional disputes delayed passage of social welfare legislation (Herman 1971:138).

In the 1960s social welfare legislation continued to be revised and extended through social insurance and income supplement programs. The Canadian Pension Plan was enacted in 1965 as a contributory plan payable to those seniors who contributed and had reached retirement age.⁴ Also the widows of pensioners and the disabled were also assisted by this social insurance program. Furthermore, in 1966 the Old Age Security Act was revised and a means tested Guaranteed Income Supplement was initiated. This income supplement was designed to assist those retired persons who had retired before the introduction of the Canada Pension Plan and therefore were unable to realize income from this plan (Armitage 1975:218-219).

The federal government's enactment of the Canada Assistance Plan in 1966 signified an important shift away from the use of federal monies and legislation for the implementation of social welfare services to the use of a 50:50 cost/share agreement between provinces and federal government. This plan was created to coordinate federal and provincial social welfare programs, to extend coverage of specific plans and to satisfy provincial

government opposition to federal government involvement in the provision of social services. Unemployment assistance, old age assistance, blind and disabled persons' assistance, child welfare costs and administrative costs were all included in this plan (Health and Welfare Canada July 1978). As the federal government put no limit on the gross amount to be shared with the provinces under this plan, it was up to the provincial governments to set up programs and pay for them with the federal government supplying up to 50% of the costs.

Although the federal government had originally taken the role of the initiator of welfare legislation, with the development of the Canada Assistance Plan this role was shifted to the provinces. This federal government initiative allowed the federal government (1) to limit its expenditures, (2) to place responsibility for social welfare legislation and program administration with the provinces (in accordance with the British North America Act which depicted provincial jurisdiction as including "local matters"), and (3) neatly re-directed pressure group petitions for the introduction and extension of welfare services to the provincial level. The federal government had found a means by which its role could be restricted to that of financial partner with the provinces. However, the federal government retained the right to insist that provincial programs meet federal specifications. The needy in Canada now had to rely on the support of provincial governments.

Under the first Social Credit government in British Columbia, health and social service expenditures gradually increased; for example, in 1965 these expenditures totalled \$169,838,000.00, but by 1970 had grown to \$383,572,000.00, in large part because of the new role the provinces were forced into after 1966. However, it was not until the NDP took

political power in British Columbia in 1972 that social service expenditures were greatly expanded. By 1975, health and social service expenditures had grown to a total yearly expenditure of \$939,354,000.00 (Appendix I).

The main difference between the expenditures of the Social Credit and New Democratic governments was that Social Credit leaders were willing to maintain social welfare programs but not to expand them. Programs for seniors, for instance, which were absent from provincial budgets prior to 1972, became a priority with the New Democratic government. When Mincome for seniors and Pharmacare were established by the NDP they received no financial assistance from the federal government. Mincome provided a guaranteed minimum income to all low income seniors residing in British Columbia defined as 65 years of age or over, who have 5 consecutive years residence in Canada, and are in receipt of Old Age Security and the Guaranteed Income Supplement, or Spouse's Allowance.⁵ Also those people 60 to 64 years of age and not in receipt of federal income assistance could also receive Mincome after an application was accepted, while those over 65 and qualifying would receive a payment automatically with their Old Age Security cheques. Indeed, the province of British Columbia was the only province in Canada to guarantee a minimum income level for those people 60 years of age and over. Pharmacare provided assistance in purchasing prescriptions to low income individuals and families with limited income and provided free prescription drugs to senior citizens and to other eligible income assistance recipients.

Since 1975 the Social Credit government has sought ways to minimize its expenditures on social services. In 1976 the provincial government changed the name of the Mincome program to Guaranteed Available Income for Need for Seniors (hereafter GAINS), and initiated an asset test for those

persons 60 years and over and not in receipt of Old Age Security, Guaranteed Income Supplement or Spouse's Allowance. This asset test denied GAINS to this group if their assets, excluding home and car, exceeded \$2,500.00 for singles and \$5,000.00 for couples. This asset test served two purposes: it excluded some low income seniors from GAINS and allowed provincial payments to this group to be cost-shared with the federal government under the Canada Assistance Plan (Human Resources, Ministry of, April 1977:v99).

In 1977 a needs test was introduced by the provincial government for all GAINS recipients, 60 years and over, in receipt of Old Age Security, Guaranteed Income Supplement or Spouse's Allowance. The needs test recognized all income outside of government pensions as influencing the amount of GAINS benefit. The intent of the needs test becomes evident from the following statements of the Ministry of Human Resources:

During 1977, needs testing was initiated on all recipients of the GAINS Supplement Program, in order to achieve Federal cost-sharing. Prior to such needs testing, there was no Federal cost-sharing (1978:158).

The Social Credit government has endeavoured to limit provincial expenditures on GAINS by taking advantage of the Canada Assistance Plan.

Moreover, by using the Canada Assistance Plan Social Credit politicians have made some seniors ineligible for GAINS. A reduction in the number of seniors in receipt of the GAINS has led to a further decline in the total gross provincial expenditures on this program as is indicated in the following table.

TABLE I

GAINS FOR SENIORS AND HANDICAPPED* BY BUDGET
EXPENDITURE AND NUMBER OF RECIPIENTS
(Figures taken as of December in each year)

Year	Budget Expenditure (\$)	Seniors Receiving Assistance	Handicapped Receiving Assistance
1976	114,220,370.00	113,479	10,521
1977	109,039,198.00	106,263	11,426
1978	105,578,802.00	93,846	12,162
1979	104,200,000.00	84,082	13,269

*The handicapped group was included in this table as the budget expenditure statements from the provincial government include both seniors and handicapped.

Adapted from: Ministry of Human Resources. Services for People Annual Report. April 1977, March 1978, March 1979, March 1980.

The table shows both budget expenditures and seniors receiving assistance have been steadily declining since 1975.⁶ Furthermore, as a proportion of total gross welfare expenditures in British Columbia services for seniors and handicapped have declined from 33.1% in fiscal year ending March 31, 1977 to 18.8% in fiscal year ending March, 1979 (Human Resources, Ministry of, March 1978:187; March 1980:91). As the above figures indicate, a change in the government in the province of British Columbia and the alteration of federal government jurisdiction over social programs led directly to an alteration of social welfare programs.

Changing Government Roles in the Provision of Housing

During the last 30 years the general trends evident in federal and provincial government roles with respect to social welfare legislation has also surfaced specifically in the provision of public housing. Although

jurisdictional authority for housing (defined within Section 92 of the British North America Act) rests with the provinces, it has been the federal government with its greater taxation and financial power and authority (defined by Section 91 of the British North America Act) that has more directly influenced the development of public housing legislation in Canada. The provinces have had the legislative jurisdiction but the federal government has had the greater funds to construct public housing. This jurisdictional split in political power has resulted in the federal government initiating public housing legislation, leaving the provinces and municipalities with the decision of whether to join the federal government, to strike their own independent program, or simply do nothing in this area and face the consequences.

The history of government intervention in the housing industry has been divided between federal government preoccupation with using housing as a stimulus for economic growth and the provincial governments' role in supplying shelter and subsidizing rental expenditures for those otherwise unable to obtain shelter for themselves. Nevertheless, both senior levels of government have initiated housing programs usually in response to difficult economic and social conditions affecting Canada. One of the first federal government housing initiatives was in response to the slump in housing construction after World War I, coupled with the demand for housing by returning veterans. Under the War Measures Act of 1919 \$25 million was allocated for housing construction. This was only a temporary measure and was soon withdrawn (Runge 1975:62).

Although a Special Parliamentary Committee on Housing (1935) investigated the housing problems faced by Canadians during the economic depression of the 1930s and reported to the House of Commons that ". . . there is no

apparent prospect of the low rental housing need being met through unaided private enterprise building for profit" (1935:135), the federal government did not immediately act to remedy the problem. Instead, the federal government responded by passing the Dominion Housing Act of 1935 and the National Housing Act of 1938. Both of these housing acts encouraged lending institutions to put their surplus funds into federal government guaranteed residential mortgages. The federal government loaned 20% of the capital with the borrower adding another 20%, while the lending institutions financed the remaining 60% with guaranteed federal government loans (Bettison 1975:296). The assumption behind this program was that by stimulating the construction industry employment opportunities would be increased, the depressed economy of the 1930s would be rejuvenated, and more homes would be supplied to all income groups. Also, federal government expenditures would be recouped with the repayment of the loan.

No government action had, however, been initiated for low rental housing by 1944. A government document authored by the Advisory Committee on Reconstruction, Housing and Community Planning (1944), echoed concerns similar to those expressed by the 1935 Parliamentary Committee on Housing. It recommended "a complete revision of the National Housing Act with the implementation of a low-rental housing program" (1944:18). The federal government did not respond directly to these recommendations, instead a post-war housing program was implemented which encompassed a combination of housing construction for returning veterans and family allowances (Porter 1965:427). The CMHC was established in 1945 with the passage of the Central Mortgage and Housing Act; the CMHC was created to coordinate government housing programs, recommend housing policy to the federal government and to construct housing for veterans.

In 1947 another housing report (although, significantly, one not sponsored by government but by the Canadian Welfare Council) was published under the title A National Housing Policy for Canada. This document recommended that ". . . the Federal Government should inaugurate a long-term program of public housing with the cooperation of the provincial and municipal authorities" (1947:3). Again, the federal government did not immediately respond. Providing housing for specific groups such as the urban poor or elderly who could not afford to purchase housing was secondary to the economic and political priorities of dealing with post-war inflation, depression, and unemployment.

Although the federal government allocated public funds for housing (CMHC contributed a National Housing Act approved loan at 25% of capital costs at 3% interest) it was the supplementary funds of lending institutions that were needed to maintain the CMHC's involvement in the housing market. The interests of both government and the private sector were served by federal government housing legislation. Federal government housing priorities were altered with National Housing Act Amendments in 1954 so that CMHC no longer made direct loans but instead guaranteed mortgage loans of chartered banks. Also, the consumer paid up to 2% (since reduced to 1% in 1969) of the purchase price of a home for the mortgage insurance premium. This plan not only minimized federal government housing expenditures but produced money with the payment of the insurance premium by the house buyer. This change in policy resulted from political concern over the costs of directly subsidizing mortgage rates. (Rose 1968:67-68).

By 1949 it had become apparent to the federal government that the private developer was not interested in supplying housing for low income

groups. Faced with inaction on the part of private developers and a growing demand for low income housing, the National Housing Act was amended in 1949 to provide for public housing. Public Housing under Section 35 of the National Housing Act (later changed to Section 40) dictated that provincial governments participate in 75%/25% federal/provincial cost-sharing agreement on capital construction and on any losses incurred. Tenants of public housing were not expected to pay more than 30% of their income for rent (CMHC 1970:16). The federal role defined under Section 40 of the National Housing Act was not that of developer or manager but instead that of lender (Dennis and Fish 1972:13).

The provinces were slow to respond to the public housing initiatives of the federal government; by the end of 1950 public housing construction was averaging 841 units annually or .7% of annual housing starts. By 1955 only 3,000 units of this type of housing had been produced. In the 15 years between 1949 and 1964 only 12,000 units of public housing had been built. The housing of middle and upper income groups remained a federal government priority at the expense of lower income groups. By 1964 over 90% of housing associated with the National Housing Act had gone to middle and upper income groups (ibid:154). Two of the central reasons for this difference in housing statistics is that the provincial governments were not interested in pumping funds into housing projects which would not realize financial gain for the provinces. Also the filtering down strategy was viewed by political elites at all levels of government as providing housing for low income groups. This, it was thought, would be accomplished when poor families would purchase homes vacated by richer families that were taking advantage of guaranteed National Housing Act mortgages for the purchase of a new home.

As a consequence of provincial government inaction, the failure of the filtering down strategy, and the desire on the part of Ontario to use the municipal role in initiating housing (ibid:177), some major amendments were made to the National Housing Act in 1964. Section 35D (later Section 43) was added, to allow CMHC to allocate 90% of the mortgage loans to province or municipality for the costs of construction. Operating losses were split 50:50 between the federal government and the province or municipality initiating the request for federal funds. This alteration of the National Housing Act gave more power and responsibility to the provinces and municipalities; they were now required to select a site, initiate the request, arrange funding and own and manage the rental housing constructed. The federal government, in a manner similar to its development of the Canada Assistance Plan, had shifted jurisdictional responsibility to the provincial level of government.

By 1970 every province in Canada, except British Columbia, had created a housing authority to take advantage of this federal amendment. Although the BCHMC was formed by the province in 1968 it was only permitted to manage public housing and not to initiate requests for federal funding for provincial housing projects. Section 43 of the National Housing Act precluded municipalities from participating with the federal government since most municipalities could not afford the costs of financing this type of housing. The provincial cabinet directly determined the number of public housing units to be constructed in British Columbia since it was only this level of government which was in a position to finance the operation, construction and management of this type of housing. The municipal role was restricted to assembling land, enforcing zoning by-laws, and subsidizing housing by offering land to the provincial government at below market value.

Although the provincial government of British Columbia had the jurisdictional authority and support from the federal government, public housing construction in British Columbia was sadly lacking until 1973. With funds and programs for housing spread throughout the Ministry of Finance, Provincial Secretary, and Municipal Affairs departments, it made it difficult for interest groups and municipalities to initiate requests for housing and for the provincial government to develop an adequate housing policy.

The provincial government, therefore, played a passive role in the provision of public housing between 1949 and 1972. For the most part it relied on private developers to initiate non-profit housing development for low income groups. Non-profit housing consisted of housing projects that were initiated, managed, and financed, at least in part, by a non-profit society. This type of housing was encouraged by senior levels of government as it allowed the governments to take on a banker's role without accepting responsibility for the problems associated with managing public housing.

With the passage of the Elderly Citizens Housing Act of 1955 non-profit housing was stimulated by a 10% CMHC capital grant and a one-third provincial government capital grant, along with a National Housing Act 90% loan for capital funding with a 75:12.5:12.5 (federal:provincial:municipal) split on operating subsidies. The Provincial Home Acquisition Act of 1967, along with the Elderly Citizens Housing Aid Act of 1955 offered some assistance to low income groups in British Columbia (Runge 1975:72). Between 1955 and 1964 2,579 units of non-profit housing had been built, while only 226 units of public housing had been constructed during the same period (ibid:372).

It was the responsibility of non-profit housing groups to initiate the housing proposal for funding and they were ultimately saddled with having to repay the federal government loan for construction of the housing. Federal and provincial governments with the use of non-profit housing had delegated responsibility for determining housing needs to private market forces. Moreover, non-profit housing was not primarily constructed for low-income seniors. The determination of the types of individuals who received non-profit housing was the responsibility of the non-profit society itself.

By the middle of the 1960s federal government housing legislation and programs came under criticism from both government and non-government sponsored research reports. After hearing various interest groups and government statements regarding housing for the low income elderly, The Final Report of the Special Committee on Aging criticized federal and provincial governments for only providing 9,750 units of public housing after 17 years of government housing intervention (Canada, the Senate of, 1964:135). The Senate report was followed by the First Canadian Conference on Housing, sponsored by the Canadian Welfare Council and held in Toronto in October of 1968. One of the reports to come out of this conference was entitled Provincial Housing Profiles. This report investigated the general lack of housing construction for low income groups in most Canadian provinces.

The British Columbia housing profile was contributed to by municipal planning departments, municipal assessors, students, housewives, voluntary organizations, senior citizen organizations, labour representatives, social planning councils, and a housing study group. These various groups documented the housing problems facing many groups because of high rents,

low incomes, substandard dwellings, and housing shortages. The main focus of this profile centered on the general lack of action by the federal and provincial governments' assistance to the housing needs of low income people in British Columbia. Also this British Columbia section of the report documented that only 5.7% of National Housing Act loans had been allocated to those in the bottom third of the population. This report stressed that specifically designed government subsidized units for low income groups such as the elderly should become a political housing priority instead of housing construction for prospective homeowners. The report concluded by indicating that Ontario has been the only province consistently involved in constructing low income housing. In 1967, for example, almost 80% of housing for low income groups was built in Ontario, while only .05% were built in British Columbia (1968:68).

In the face of growing public displeasure over federal government housing programs, the Hellyer Task Force on Housing (1969) was formed to investigate ". . . the housing needs of all Canadians" (1969:1). The report concluded that the central role of the federal government was to:

. . . establish housing policies in Canada which, in company with rising incomes, will permit all but the most deprived families to select and finance accommodation of their choice within the private market (1969:52).

Until the 1970s, then, faith in the private market was still the primary government policy while public housing was of secondary concern to the federal government. The Hellyer report criticized public housing as being a "ghetto of the poor" (ibid:53). This assertion is supported with reference to the social stigma of housing for the poor, inadequate social services, and feelings of resentment and bitterness expressed by public housing residents.

In 1970 Toronto lawyer Michael Dennis conducted research, sponsored directly by the federal government, into low-income housing legislation and programs; reporting his findings to the federal government in November of 1971. Although the federal government did not publish the findings or recommendations of this report, Michael Dennis and Susan Fish published the report complete with confidential government memos regarding housing policy and programs in a book entitled Programs in Search of a Policy: Low Income Housing in Canada (1972). This report lashed out at the federal government and provinces for not committing themselves to the goals of housing as a social right instead of passively implementing legislation without any knowledge of the results and consequences of such housing decisions.

Fish and Dennis documented how increasing land costs and operating subsidies coupled with larger capital grants in the 1970s will not be able to keep up with housing demand from low income groups. Shelter subsidies were recommended as an interim measure before the adoption of a guaranteed annual income could be established. Shelter allowances were supported by Fish and Dennis not only to offset high rent to income costs but also to alleviate high levels of government expenditures. Fish and Dennis assumed that before governments would adopt new programs the costs of proposals had to be compared to existing government programs.

The Hellyer Task Force of 1968, Dennis-Fish report of 1972 and various reports from the Canadian Council on Social Development called for the federal government to take action. Ron Basford, Minister of State for Urban Affairs, responsible for housing, recognizing the importance of these reports began to comment that housing was a ". . . fundamental right of every Canadian" (Runge 1975:69). Amendments to

the National Housing Act in 1973 included an Assisted Home Ownership Plan, Neighbourhood Improvement Plan, and non-profit rent subsidies. Public housing and non-profit housing construction and rehabilitative aspects of social housing for seniors and other low-income groups were absent from the 1973 amendments. Although Basford had appealed for housing as a social right, the 1973 amendments were more preoccupied with supporting home ownership than supplying housing for all segments of the population. Michael Wheeler, writing for the Canadian Welfare Council, viewed the traditional impetus for federal government action in the 1960s as follows:

To the long-standing problem of inadequate housing among low-income groups a new dimension was being added as increasing numbers of middle-income families found themselves unable to afford the sharply rising costs of accommodation. With the extension of the problem to the middle-income group, housing became a political issue of national concern, in marked contrast with the public indifference of preceding years (1969:13).

Those on low incomes in the Canadian population received little more than government rhetoric while those with higher incomes received the benefits of government housing programs. Housing supported by political elites was constructed not only on the basis of a crisis situation but also depending upon the political sensitivity of the particular housing problem.

Before 1970 a housing dilemma was created in that although public housing had been introduced, little attention had been given to the problems associated with housing low-income groups in the private market. After surveying 7 housing studies completed between 1964 and 1971 a 1972 study elaborated upon this problem by viewing the Canadian approach to housing as one where governments:

. . . specify housing goals without any respectable scientific basis and, of course, without any indication of what proportion of the new production should be for low-income people (Armitage 1972: 72).

Although the federal government had passed legislation in 1949 to allow for public housing construction, the housing problems faced by low-income groups in Canada by the 1970s were hardly being met, let alone understood by government.

In conclusion, social welfare legislation has historically been a response to crisis situations and interest group pressures. Although social legislation has been developed and implemented in Canada, political leaders have been preoccupied with political and economic issues and thus generally have been hesitant to develop a long-term commitment to social welfare programs and policies. This passive role of government is, in part, hidden from public view; the vaguely worded political separation in jurisdictional responsibility for the needy has resulted in both federal and provincial governments looking to each other to implement and develop social policies and programs. This method of response to those in the Canadian population in need of assistance, such as the low-income elderly, allows governments to save on short-term budgetary expenditures, to shield any one level of government from concerted public criticism, and to obscure the relationship between political decision-making and social policy implementation.

CHAPTER III

THE DEVELOPMENT OF PUBLIC HOUSING POLICY IN BRITISH COLUMBIA

The development of social welfare programs in British Columbia has been directly affected by the political and social philosophy of ruling political elites in the province. The NDP, for example, has been determined to develop social policies as a "social right" and consequently actively pursued a broad policy of shelter, income and health care support on the basis of widely defined social needs. David Barrett, when Premier and Minister of Finance, depicted the basic philosophy of the NDP government in this way:

. . . we desire to turn around from gauging the Province's progress quantitatively to a qualitative measurement. I have said before that the economy should serve the people, not the people the economy (Finance, Ministry of, February 9, 1973:3).

Barrett also stated:

It is the goal of this Government to direct British Columbia's economy toward the needs of all the people, rather than those few who possess power because of their wealth and influence. . . . This objective to seek greater equality for all British Columbians is the common theme in all of the Government's policies (Finance, Ministry of, February 28, 1975:5-6).

The NDP supported "greater equality for all" in the form of government expanding social programs as well as increasing taxation on resource industries to assist in funding these social expenditures.

The Social Credit government after 1975 developed an approach to social policy that ran contrary, in great part, to NDP policy statements. Where the NDP saw social services as a first priority of government, the Social Credit government looked to the private economy as the best means

for solving the need for government funded services. Evan Wolfe, Minister of Finance for the Social Credit government, outlined his party's philosophy as follows:

We want the individual to seek out opportunity--to be able to seek out opportunity--and not to have to depend on a growing bureaucracy, or Big Government, to look out for him or her (Finance, Ministry of, April 12, 1979:49).

Both before 1972 and after 1975 ruling Social Credit political elites have adopted the traditional approach of the federal government which for so long depended upon private market forces and individual initiative, avoided government intervention in the lives of individuals, and sought to minimize government expenditures on social services.

As indicated in the previous chapter, the Social Credit government of the 1950s and 1960s and early 1970s was not committed to the construction of public housing. Responsibility for initiating requests for public housing projects fell to the municipalities. The provincial government viewed its role as making the final decision of whether to approach the federal government for housing funds at the request of municipal governments. Between 1949 and 1972 the province built 1,392 units of public housing, representing 30% of all public housing constructed in British Columbia between 1949 and 1979. While \$5,655,000.00 was budgeted for housing in 1970 this represented only 1.5% of the budget allocation to health and social services (Appendix I). British Columbia fell behind all other regions of the country in the construction of public housing as the following table illustrates.

TABLE II

COMPARATIVE FEDERAL EXPENDITURES ON PUBLIC HOUSING
BY PROVINCE 1949-1972
(National Housing Act)

Area	Sections 40 & 43 NHA (\$)	Per Capita Expenditures
Maritimes	118,246,000	63.88
Quebec	248,190,000	48.52
Ontario	867,019,000	141.55
Prairie	169,116,000	54.82
B.C.	59,193,000	36.36


Adopted from: CMHC Canada Housing Statistics, 1972, Tables 46 to 50.

In sharp contrast with the Social Credit's lack of commitment to public housing was the housing approach pursued by the New Democratic government between 1972 and 1975. In the four years the NDP was in power 2,480 public housing units were constructed, or 55% of the total production in the 30 years since 1949. The NDP's commitment to housing became apparent when in May of 1973 Lorne Nicolson was appointed Minister without Portfolio, responsible for housing. By November 1973 the first provincial department of housing in Canada was established in British Columbia. This was an important event as it emphasized that the provincial government of British Columbia was not willing to continue to allow private market forces to determine housing goals and priorities for the province. In 1974 Lorne Nicolson committed the NDP to housing development in British Columbia; referring, as had Ron Basford one year earlier, to housing as a "social right" for every British Columbian, ". . . regardless of

whether he is rich or poor, lives in Vancouver or Chetwynd, comes from pioneer stock or is a newcomer to the province" (Runge 1975:76). Barrett supported his statements by establishing a housing budget in 1975 of \$76,484,000.00, an increase of \$70,824,000.00 over the Social Credit housing budget of 1970. The housing budget in 1975 represented 8.1% of the budget allocation to health and social services (Appendix I).

The new Department of Housing was to coordinate existing government programs, create a provincial housing policy, and to disband some programs. Although research into the development of a comprehensive provincial housing policy was initiated, the NDP found itself out of office by the time the research was published in 1976. However, the results of the Department of Housing's goals led to an increase in housing construction, an establishment of rental controls, and a generalized housing subsidy for low income groups in both community and government sponsored housing. In contrast to the preceding Social Credit government, the NDP took advantage of Section 43 of the National Housing Act to build public housing. In fact, more than 41% of all funds allocated to public housing between 1964 and 1974 in British Columbia was spent in 1974 (Runge 1975:147).

Yet, while the province was finally utilizing sections of the National Housing Act established to promote the provincial role in the construction, management and development of public housing, the federal government did not fully cooperate. For instance, in 1975 the province requested \$22.5 million for Section 40 housing but received only \$10.4 million. Also, \$227.6 million was requested for Section 43 housing, but only \$34.5 million was allocated by the federal government, or 15% of the provincial government's request (ibid 1975:147). Ironically the



federal government had developed the legislation to assist provinces to construct public housing since 1949, but when British Columbia finally took the public housing legislation seriously the federal government did not cooperate. When confronted with the NDP's housing initiatives Basford's statements of housing as a "social right" in 1971 became a vague statement of policy without the financial support of the federal government to implement housing for the needy.

A further commitment to housing was made in February of 1975 in British Columbia with the appointment by the Attorney General and the Minister of Housing of an inter-departmental study team on housing and rents. The resulting report, A Comprehensive Social Housing Policy for British Columbia, sought to ". . . document the magnitude of trends in housing and rental markets, consider alternatives open to government and recommend suitable housing and rental policies" (*ibid* 1975:iii). One of the major findings of this policy report was the discovery of the "housing problem", which was defined firstly as housing demand exceeding the current and projected supply of housing in British Columbia. Secondly, the "housing problem" was expanded to include those on low incomes paying in excess of 25% of their income on shelter. By combining these two aspects of the "housing problem" the report determined that members of low-income groups, and especially elderly renters, had a severe "shelter/income" problem.

This report recognized that the arbitrary 25% shelter/income guideline may be too high for those in the lowest income categories. However, preoccupation with developing a comprehensive approach led the government researchers to ignore the implications of setting the 25% guideline. For example, the effects of this guideline on (1) those persons receiving a

fixed government pension compared to other income groups, and (2) those persons renting compared to homeowners are not elaborated on in the report. For the most part it was assumed that low levels of income, coupled with low vacancy rates and decreasing housing supply, constituted the "shelter/income" problem. Furthermore, it was noted that although general incomes in British Columbia had been rising faster than housing prices that those on low incomes had not been able to keep up with rising housing prices.

Recognizing that existing federal and provincial housing programs had been "piecemeal and inadequate" the NDP commissioned policy report, recommended the formation of price controls on rents and land, production subsidies to increase housing production, and shelter assistance for low income groups (ibid 1975:1). To realize these housing goals the report stressed the need for a comprehensive housing policy which would oblige the provincial government to take responsibility for the housing of those in need of assistance; it also recommended that the provincial government have the unconditional use of federal originating housing funds and the development of a combination of shelter and production subsidies for the needy. A major assumption throughout these recommendations was that government housing initiatives were needed to remedy the "shelter/income" problem which had developed out of both government and private developers failing to respond to the housing requirements of the needy in British Columbia. The researchers concluded their analysis and recommendations by stating that these

. . . form a package which if implemented systematically by the provincial government would represent a real shift into treating housing as a social right, which is the proclaimed objective of this government (ibid 1975:461).

This conclusion was based upon expectations of federal government funding.

Without federal government assistance provincial housing policies would necessarily lead the provincial government into even greater housing involvement than the policy recommendations indicated.

The major proportion of people in the province having a "shelter/income problem" were singled out in the report as being the elderly renter. It was estimated that more than 75% of elderly renters in the Greater Vancouver Regional District in 1971 were spending more than 25% of their income on rent, while in 1975 the figure had increased to 80% of all elderly renters. In British Columbia in 1975, 40,000 seniors renting had some form of a "shelter/income" problem (ibid 1975:4-5). The analysis of senior renters determined that two-thirds of senior families and 91% of non-families exceeded 25% of their income on shelter. For the most part, single elderly renters constituted the majority of non-family seniors having a "shelter/income" problem.

Proposed NDP housing policy, in reference to the renters' "shelter/income" problem, concluded that public housing should be constructed (ibid 1975:22). Seniors' lack of income, it was thought, could be assisted with a shelter subsidy whether they lived in public housing or private housing. Although it is not clearly stated, this policy report assumed that there would be demand for housing even though there existed a shelter subsidy because of low vacancy rates, poor housing conditions, and increases in senior households.

The NDP's expressed commitment to public housing construction and income and housing alternatives for low income groups such as the elderly was halted with its defeat by the Social Credit Party in December 1975. By the time of the publishing of the housing research report the New

Democratic government had already altered provincial housing policy toward low income groups and public housing, albeit not as much as policy statements indicated that the party wanted to do.

By 1975 governments at all levels had begun to respond to an increasing low income senior citizen population by researching and defining seniors' housing needs. These studies and housing definitions were extremely important as they appear to have directly influenced government programs and housing policy. Before 1975 public housing need was determined by the number of people on the waiting list for BCHMC housing units. However, given increasing numbers of low-income seniors in the population, a growing waiting list for public housing, increasing costs of housing construction, and enlarging NDP housing initiatives, the federal government was prompted to reassess its public housing initiatives, the federal government was prompted to reassess its public housing program. As it will be argued below, after 1975 senior citizen housing needs began to be redefined in a narrow manner by governments as an "income problem".

The federal government responded to an increase in seniors' housing demands by initiating its own research into the shelter needs of seniors in British Columbia. In order to gain more information on the expenditure patterns of the low income elderly in British Columbia than was available in the results of the 1971 Census, the CMHC and the Department of National Health and Welfare commissioned Dale Bairstow, a social planner in Vancouver, to conduct a pilot study on shelter related expenditures of the low-income elderly in British Columbia during the summer of 1975. The Department of National Health and Welfare was concerned with how the Guaranteed Income Supplement program was affecting the expenditure patterns

of low-income elderly while CMHC was interested in cost implications of the need for a shelter allowance, as proposed in the Dennis and Fish report of 1972 and the 1975 provincial housing survey, as a partial solution to the senior citizens' housing problems. On April 5, 1976 Bairstow's findings and recommendations in his report entitled Housing Needs and Expenditure Patterns of the Low Income Elderly in B.C. were made public.

To gather data Bairstow made a random sample of 5% of the 47,000 Old Age Security and full Guaranteed Income Supplement recipients in British Columbia. Out of this initial sample of 2,500 only 874 people responded to the mailed questionnaire, which lowered the 5% initial sample to only .8% of the total low-income elderly population. It will be argued below that Bairstow's recommendations, methods of analysis, and the smallness of his sample over-simplified the rather complex housing needs of the low-income elderly in British Columbia.

After gathering his data Bairstow began to develop a housing profile of the low-income elderly by marital status, tenure, type of housing, and geographical location. Bairstow's findings in reference to monthly shelter expenditures and percentages of income used for shelter can be illustrated by the following table.

TABLE III

AVERAGE MONTHLY LOW-INCOME ELDERLY SHELTER EXPENDITURES
BY TENURE, MARITAL STATUS AND PERCENT OF INCOME

Tenure	Single	Married
Owners	\$115.00 (47%)	\$172.00 (35%)
Renters	\$ 94.00 (39%)	125.00 (26%)

Adapted from: Bairstow (1976:50).

It is important to note that only 10% of the total elderly population were homeowners, since single elderly renters constituted approximately 50% of the low income elderly the housing problem was more severe for single renters than any other category (ibid:50). When housing, food, clothing, utilities, and other expenditures were included, the single owners and renters were again worse off than married owners and renters (ibid:39).

To Bairs~~ow~~ these shelter expenditure statistics indicated that low-income seniors had an "income problem" not a "housing problem". Bairstow's interpretation of the "income problem" directly influenced his major recommendation that shelter allowance be paid directly to the elderly renter. In Bairstow's analysis the shelter allowance would bring the shelter expenditures down to 25% of income. Bairstow justified this recommendation by pointing out that 77% or 4,600 seniors waiting for public housing operated by the BCHMC are there because their shelter expenditures exceed 25% of income. He continued by estimating that to alleviate the income problem for seniors all that was needed was \$1.9 million for a shelter subsidy while it would cost \$100 million to house those presently on the waiting list (ibid 1976:43). Further advantages he indicated was the portability of shelter allowances as they are paid to householders rather than invested in housing units and thus allow freedom of choice in the private housing market; moreover shelter allowances are not a form of guaranteed annual income as they must be spent on housing.

Bairstow's analysis can be criticized on several grounds. First, Bairstow's analysis become suspect when he assumed that the BCHMC's waiting list was representative of the low-income elderly population's demand for housing without questioning the reasons that could lead someone

to apply for government housing in the first place. As the issue of housing conditions including such aspects as physical design, shelter and locational factors (e.g. transportation routes, noise levels, closeness to relatives and social services) are all but ignored, Bairstow's analysis became skewed in the direction of finding the "income problem" as the main cause for public housing demand. Although low incomes may be associated with those applying for public housing, these cannot easily be separated from other housing variables.

Secondly, there has never been a large-scale survey of housing conditions both exterior and interior, of residences occupied by the elderly in British Columbia. The inability to produce detailed research on what constitutes a "housing problem" does not necessarily validate the reference to the "income problem" as directly influencing housing demand. In this context the importance given by Bairstow to the "income problem" could be more a result of what has rather than of what has not been researched.

Thirdly, Bairstow has skewed his research in the direction of the "income problem" by not recognizing that establishing shelter expenditures exceeding 25% of income as a cut-off point is a rather arbitrary limit and does not take into consideration those paying less than 25% of income for shelter and living in substandard accommodation. Since the 25% cut-off line is arbitrary, so too becomes the definition of an "income problem" based on this figure.

The Bairstow report, however, offered the federal government a means to respond to public pressure, NDP government demands for more federal funding, and the increasing cost of housing construction by

explaining away any housing problem through stressing the "income problem". It must be remembered that historically political elites in Canada have attempted to minimize government expenditures and commitment to social programs when no larger economic benefit could be realized; public housing currently seems to represent such a program.

The BCHMC's waiting list for public housing used by Bairstow was also used by a University of British Columbia report, The Location of Senior Citizen Housing: An Analysis of the Waiting List of the BCHMC, completed in the summer of 1976. This report was conducted as a class project by a University of British Columbia geography class. The purpose of the study was to determine the location of housing demand and locational preferences by the low-income elderly as interpreted from written applications made by the applicants on the waiting list for public housing operated by the BCHMC. A secondary purpose of the University of British Columbia report was ". . . to investigate the demographic and socio-economic characteristics of the sample population drawn from the waiting list" (Mercer 1976:1). A random sample of 1,320 single elderly on the waiting list was used to form a sample size of approximately 20% of all applicants.

The demographic and socio-economic characteristics of the elderly on the waiting list included information relating to address of applicant, type of present housing, size of present housing, tenure, previous residence, housing cost to income ratio, and locational preference. The results of this profile depicted the average senior citizen applicant as 70 years old, living in an apartment for at least 2 years by the applicant. The location of public housing preference is typically for a rental unit in

the same local area of residence, usually in the city of Vancouver. Out of the sample from Vancouver 85.9% had housing costs exceeding 25% of income. The report does not investigate why people demand public housing assistance, having assumed that the applicants for BCHMC housing have a severe income to housing problem that somehow affects their shelter needs.

A major problem with the report is that it did not investigate why seniors ask for specific project areas. The report assumed that plans for housing allocations could be based on the seniors' housing preferences. It is quite likely that locational preference is an interpretation not of where one would like to live but a function of where public housing is located. Also, housing conditions and related health conditions could also affect the demand for housing; yet these factors were missing from the report as these two areas were not included on the application form for public housing. Indeed those elderly above the average age of life expectancy, irrespective of income levels, may need special housing services not provided in the open housing market. Such features as grab bars in the bathroom, windows and door knobs lower than those found in open market housing for those seniors with some physical disability are often only available in purposefully designed public housing. In this context, those with low income levels and high shelter costs should not necessarily be considered as the only seniors with a need for government housing, as the many differences between government-controlled design features in public housing, and those available in the open market may also help determine whether one applies for public housing.

The key problem with the University of British Columbia report was that by excluding health and housing conditions the demand for shelter became simply a function of income levels. The researchers, however,

recognize this limitation in their research, in part, by commenting on the need for a shelter allowance and also cautioning that housing construction should not be stopped as housing conditions, social environment, or location in reference to support services must be considered. The researchers concluded by making a plea for more updated analysis of the BCHMC's waiting list so that a greater understanding of its significance for seniors would be known.

During the time when the provincial housing survey, Bairstow report, and the University of British Columbia project were being conducted the Social Credit Party again took political power in British Columbia. As noted above, with the change in provincial governments came an alteration to housing policy. Ann McAfee, a social planner for the city of Vancouver, determined that since 1975 Social Credit political elites had began to utilize provincial housing funds to supplement federal assistance programs instead of directly constructing housing as the NDP had done (1976:6). Moreover, programs such as Assisted Home Ownership Plan, Assisted Rental Program, and the British Columbia Home Acquisition Grant were now being supported with provincial and federal funds that were previously being directed into public housing. As the Social Credit government before 1972 had done, the homeowner and private developer were again receiving provincial government financial assistance, while the provincial and federal governments took on the roles of banker and mortgage lender. Writing for The Canadian Council on Social Development in 1977, Jeffrey Patterson commented on the Social Credit government's move away from social housing construction by stating:

In its first budget, the new B.C. Social Credit government implied that henceforth British Columbia would stack its subsidy funds on federal AHOP (1977:113).

In response to a change in provincial governments and the publishing of the Bairstow report, 1975 provincial housing survey, and the University of British Columbia research, the City of Vancouver issued two interrelated research documents approved by city council on July 13, 1976. The first was a report by the Director of Social Planning entitled, Shelter Allowances. This report recommended that a shelter allowance program be instituted for the low-income elderly in Vancouver. The Director of Social Planning specifically cited recent provincial government initiatives to withdraw from direct housing construction and the cost-benefit return of shelter allowances in this report (Vancouver, City of, 1976:2). This report accepts Bairstow's assumption that housing demand is simply a function of low incomes and that housing need can be alleviated by supplementing income. Moreover, the Social Planning report directly utilized Bairstow's and the University of British Columbia's research analysis of the BCHMC waiting list to support the "income problem" assumption of the report.

According to the Director of Social Planning, housing construction is similar to a shelter allowance as both keep rental expenditures down to 25% of income, ". . . but with the added expense of construction, operation, and maintenance accompanying housing construction." There is ". . . greater cost/benefit return realized from a shelter allowance program compared to a housing construction program" (ibid 1976:2). Although recognizing that housing construction should not be totally withdrawn, the Social Planning report accepted Bairstow's problematic assumptions and apparently unwittingly skewed its own research and findings in the direction of the "income problem".

The second report was the Director of Planning's investigation entitled Senior Citizen Housing Targets to 1986. The Director of Planning recommended the construction of new housing units and the rehabilitation of existing structures for those elderly in Vancouver experiencing a housing problem. A housing problem is defined in this report as ". . . those presently living in inadequate accommodation and/or those requiring full financial assistance (full Guaranteed Income Supplement) from governments to provide for basic needs and/or those on low incomes who require continual health care services" (Vancouver, City of, 1976:3). Although the Planning report recommended a shelter allowance for those seniors with an "income problem" rather than a housing problem, it added that shelter allowances are of little use for those who need specially designed accommodation, for physical or health reasons, that is not offered in the private housing market.

By approving these two reports the City of Vancouver both accepted Bairstow's problematic "income problem" definition and at the same time recognized the need for housing construction. Both City of Vancouver reports, however, utilized the logic of Bairstow's argument to depict housing demand as essentially an "income problem". It is significant that the provincial government in communication with the chairman of the City of Vancouver Standing Committee on Housing and Environment stressed, as referred to in the Director of Planning report, that ". . . the Provincial Government would be giving consideration to a program based on a number of points contained in the report of the Director of Social Planning" (1976:1). Consequently the problematic assumptions of Bairstow's report had now reached federal, provincial and municipal levels of government.

By 1977 the construction of public housing in British Columbia had all but subsided with the CMHC and province pulling back on financing for public housing construction. The province, because of federal government responses to public housing funds, was faced with searching for an alternative to the increasing costs of public housing construction for the elderly. Government research since the early 1970s, although limited in amount and often unreliable, had consistently pointed to the use of shelter subsidies to help alleviate the income and housing needs of the low-income elderly. The main assumption behind this recommendation was that a shelter subsidy which is used to offset housing expenditures over 25% of income would free money that had previously been going to rent or mortgage for food, social-health services, and clothing. Furthermore, the City of Vancouver reports had stressed the need for senior levels of government to respond to the "shelter/income" problem as municipal levels of government lacked the funds to act on their recommendations of housing construction and shelter allowances. The NDP housing survey had also recognized the need for concerted provincial and federal housing initiatives and a financial commitment to alleviate the "shelter/income" problem. However, with a change of provincial governments in December 1975 it was now the Social Credit government which was confronted with the recommendations of the reports surveyed above.

The Social Credit government's support of non-interventionist social policies and the minimizing of budgetary expenditures for social programs directly led to the political decision to define seniors' housing problems as an "income problem". It must be recognized that the Social Credit political elite was not operating in a policy vacuum as its decision was supported by existing research. However, it is significant

that only one of the three important reports made on seniors and public housing was from an independent source; the University of British Columbia geography class report. As mentioned in the introduction, this lack of independent research, has allowed government to make decisions on the basis of changing political priorities and not necessarily on the basis of comprehensive and well informed policy choices. The Social Credit government's decision to support the "income problem" was not only in agreement with most of the existing research, but also followed closely the federal government's withdrawal of funds for public housing and support of private market housing. Furthermore, this move reflected the Social Credit elite's approach to social services.

CHAPTER IV

THE EMERGENCE OF THE SAFER PROGRAM

The Social Credit government had by 1979 completely withdrawn from the NDP's previously established program for public housing construction for seniors. The SAFER program was initiated by the provincial government in 1977 to alleviate the housing needs of the senior citizen population while eliminating public housing construction. The task of this chapter is to determine why and how this change in social housing policy was accomplished. In this context the SAFER program and provincial government research reports on SAFER will be analyzed in detail on the assumption that they reflect the essence of Social Credit social housing policy.

By 1977 the federal government, with the use of the Bairstow report, had explained away the need for further public housing construction with the propagation of the "income problem". The Social Credit government was left either to follow the federal government's lead or to make housing construction a provincial government budgetary priority as the NDP had attempted to do. The decision was complicated somewhat by the fact that if the Social Credit government chose to follow the federal government's lead, it would still be left with the problem of alleviating housing demand defined as shelter expenditures exceeding 25% of income.

In February 1977 through the newly created British Columbia Ministry of Municipal Affairs and Housing the provincial government responded to the

"income problem" by proposing a bill in the legislature for the passing of the Shelter Aid For Elderly Renters Act (Municipal Affairs and Housing, Ministry of, February 1977). This SAFER program was to assist those elderly paying greater than 30% of their income on rent by subsidizing their rental expenditures by 75%. The first \$175.00 of rent was recognized for the single person and \$200.00 for married couples as the upper limit in the calculation of the amount of SAFER entitlement in 1977. Rent exceeding those amounts had to be paid by the SAFER client. The prospective client had to apply for SAFER in order for program administrators to ascertain the rent to income needs of the individual.

The implementation of SAFER like most social legislation proposed by federal and provincial governments since the 1950s was based not so much on identified social needs as on the desire to keep social welfare expenditures to a minimum. This is especially evident in the Minister's statements regarding the implementation of SAFER:

To ensure an incentive for economy, in this program as is common in other programmes, the amount of assistance payable will be paid to 75% of the amount by which the applicants' rent exceeds 30% of their income (1977:1). . . . The Shelter Aid For Elderly Renters Programme allows the recipient freedom of choice in choosing accommodation. Another important advantage of the programme is its low per unit cost of constructing new senior citizen projects (1977:6). . . . It is anticipated that the Shelter Aid For Elderly Renters Programme will greatly reduce the need to construct senior citizen projects (ibid, 1977:7).

The Minister's statements directly referred to statistics and analysis documented by Bairstow and then supported these with the City of Vancouver's reports on housing. However, the above quote signifies a significant difference with respect to Bairstow's analyses and recommendations in that the government used a 30% rent cut-off, assistance was only ear-marked for senior citizen renters, and they did not include references to the

problems of the low-income elderly population as a whole of British Columbia.

The SAFER program was also integrated into the provincial Renters' Tax Credit Program, and Income Tax Act to limit provincial government expenditures even more. The result of this integration made SAFER clients ineligible for the Renters' Tax Credit; this would, as the Minister responsible for SAFER comments, ". . . eliminate the guaranteed \$80.00 minimum renters' tax credit, again to be effective January 1, 1978. This action will result in a substantial saving to the province, and allows us to provide greater assistance to those elderly renters who sincerely need our help" (*ibid*, 1977:7-8). This action by the provincial government resulted in a substantial saving of approximately \$1,173,440.00 to the provincial government.⁷ At the same time it lowered the average yearly amount received by SAFER clients from \$588.00 to \$508.00.

Although SAFER has influenced other government programs it has only just began to reduce the shelter expenditures of the low-income elderly in British Columbia. In 1978 only 14,668 seniors were being assisted by SAFER, with only 53% of these seniors in receipt of GAINS. This means that 47% of the recipients of SAFER or 6,894 seniors were not in the lowest income category occupied by senior citizens in British Columbia. Furthermore, the Minister responsible for SAFER stated during second reading of the SAFER bill in the British Columbia legislature, using Ministerial figures, that ". . . 25,000 to 30,000 of our senior citizen households are currently paying in excess of 30% of their income on rent" (*ibid*, 1977:3). It appears that the setting of the minimum rent to income guideline for eligibility at 30% and the possible problem of some senior citizens not even being aware of SAFER, as it must be applied for by individual seniors,

has limited the number of seniors benefitting from SAFER. It is interesting to note that about one-half (using the 14,668 SAFER clients registered in 1978) of the elderly households the Minister mentioned are receiving benefits under the SAFER program while the remainder are conspicuously absent from SAFER statistics.

Although the Social Credit government had responded to the shelter needs of some seniors in British Columbia with the development of the SAFER program, the influence of the program on the demand for housing was as of yet untested. Foreshadowing the demise of public housing construction in British Columbia, Hugh Curtis, Minister responsible for the Ministry of Municipal Affairs and Housing, suspended all housing construction for seniors in the province in the fall of 1977 until a study of the influence of SAFER on housing demand could be conducted (Downtown Eastside Residents Association (hereafter DERA), 1978:87).

The stated purpose of the study undertaken by the Ministry of Municipal Affairs & Housing was to document the intended SAFER client group's knowledge of the program and examine the impact of SAFER on the demand for public housing by the elderly. It was assumed at the outset of this report, SAFER and the BCHMC waiting list, that the financial savings of the SAFER program over housing construction were well known, as the report states: ". . . S.A.F.E.R. clearly emerges as the more equitable, universal, and cost-effective of the two" (Municipal Affairs and Housing, Ministry of, 1978:1). It is important to note that the SAFER program is not necessarily "cost-effective" just because of low costs as there is as of yet no indepth study documenting the quality of housing occupied by persons receiving SAFER in the open housing market compared to the housing occupied by public housing tenants. The provincial

government has only recognized "cost-effectiveness" in terms of limiting government expenditures without a study of housing quality and as such has invalidated a direct comparison between the two methods of housing assistance.

SAFER benefits go directly to the elderly client and not to the landlord so the provincial government has no knowledge of how SAFER funds are being spent. Although eligibility for the SAFER program is related to rent to income ~~costs~~, the SAFER benefit does not necessarily alleviate the high rental expenditures of some low-income elderly in the population as SAFER may go to other essentials such as clothing and food. The government by comparing SAFER and public housing construction in terms of "cost-effectiveness" has not publicly recognized that an income supplement, which is what SAFER represents, and housing construction are different and can not be directly related to government pronouncements of "cost-effectiveness".

The Municipal Affairs and Housing Study of 1978, SAFER and the B.C.H.M.C. Waiting List, assumed, as did Bairstow in 1976, that those people on the waiting list of the BCHMC represented the demand for public housing construction. Of the 4,241 single elderly on the waiting list, 400 were randomly selected to be part of the study. Single elderly persons were chosen to make up the sample population as singles totalled 82% of those on the waiting list. A questionnaire was administered through the BCHMC to the 400 selected. Out of those 400 only 175 questionnaires were returned. In an effort to find out why there was such a high rate of "no responses" the researchers took a random sample of 40 "no responses" from the total of 225. Out of this they found after sending out the standard 10-day public housing renewal form that 9 persons,

or 22.5% renewed their applications, 28, or 70% did not respond or had moved, one, or 2.5% requested that their application be cancelled, and 2, or 5% had been housed by BCHMC (ibid, 1978:3). The researchers then concluded that only the 22.5% of the 40 sample of "no responses" were legitimate housing applicants.

The government researchers then applied ~~their~~ computations to the 225 "no responses" and concluded ". . . that only 51 were still actively on the BCHMC waiting list" (ibid, 1978:4). Next the researchers took the 174 applicants who were left after subtracting the 51 legitimate applicants and subtracted this figure from the original sample of 400 to obtain a net figure of 226 legitimate applicants for public housing. The response to the questionnaire was then estimated to be 175 returns out of a proven sample of 226. The researchers then concluded:

If this attrition factor (174/400, or 44%) is applied to the total senior citizen waiting list, it can be concluded that the true size of the waiting list is not 4,241 but rather somewhere in the order of 2,375 (ibid, 1978:4).

This figure of 2,375 was arrived at by assuming that if there was an attrition factor, those on the waiting list but not looking for housing, of 44% then the remainder, or 56% of the total waiting list were actively looking for public housing. The researcher's methodology is depicted by the following:

1. Total on waiting list	4,241
Sample size	400
Questionnaire response	175 returns, 225 no-responses.
2. Total no-responses	225
Sample size	40
Number of renewals	9, or 22.5% of sample

Therefore only 51 out of 225 no-responses were legitimate applicants. (22.5% of 225).

thereby diminishing further the demand for public housing. The researchers have assumed, without evidence, that SAFER benefits allow the elderly renter to upgrade their rental housing within the open housing market.

In the case presented above, government research has indicated support for SAFER in place of public housing construction not with valid arguments and reliable documentation but instead, by questionable research procedures.

Although the authors of the SAFER report had attempted to show a connection between rent supplements and demand for public housing, they were unable to support this relationship in a satisfactory manner. Recommendations based on this report would be erroneous as they would be based on invalid research procedures and problematic assumptions. Nevertheless, the provincial government used these research findings to replace public housing construction with the SAFER program.

"Income Problem" or "Housing Need": An Examination of the BCHMC Waiting List

What seems to have been crucial for the Social Credit housing policy was that the elderly applicants for public housing could be depicted as having "income problem" that could be solved by SAFER. Government researchers had accomplished the task of supporting the "income problem" definition by referring to the "attrition factor" built into the waiting list as well as assuming that somehow the waiting list was representative of housing demand by seniors.

These two assumptions of government research can only be understood more fully by turning to an examination of two fundamental problems

inherent with the use and maintenance of the BCHMC's applicant list:

1) The process of application and cancellation from the applicant list and 2) The criteria which designates how senior citizens have been defined according to "problem categories" by the BCHMC. The methods of cancellation are significant inasmuch as they determine the numbers waiting for public housing and the inability of the SAFER report to make valid statements regarding a waiting list attritions factor. In this analysis the attrition factor, referred to by provincial government researchers, becomes more a result of BCHMC application renewal practices than the behaviour of seniors applying for housing. Analysis of applicants by "problem category" illustrates the difficulty in isolating the income variable from housing demand statistics.

The following analysis of the applicant lists of BCHMC is based upon the quarterly reports and 1978 annual report issued by the BCHMC for the period between January 1, 1978 and September 30, 1979. These quarterly reports include the following: Report I, Application for Accommodation, seniors and families, causes of cancellation; Report II, Application for Accommodation by Problem Category; Report III, Housing allocation Activity-Seniors; Report IV, Offers of Accommodation Declined by Applicants, Greater Vancouver Region; Report V, Profile of Social Housing Placements and Refusals. The following analysis looks specifically at the Greater Vancouver Region.

During the period January 1, 1978 to December 31, 1978 of the 2,637 seniors whose names were removed from the applicant list, 1,950 had found other accommodation or could not be located, while only 544, 20% of those cancelled, were placed in public housing (BCHMC Annual Report

1978). Therefore, those classified in the category "unable to be located" constituted the majority of cases cancelled (Personal Communication, December 1979 BCHMC). Of the 321 applicants taken off the list for public housing in the calendar quarter ending September 30, 1979 in the Greater Vancouver Region, only 29, or 9% actually withdrew their applications, while 229, or 71%, had moved and thus could not be located and 63, or 20% had found other accommodation (BCHMC 1979 Report I).

Those senior citizen applicants for public housing remaining on the applicant list are the result of BCHMC receiving back a response to a renewal questionnaire sent to all public housing applicants every six months. Although in policy the applicant list should be updated every six months it is closer to 12 months before one is contacted after the initial application (Personal Communication, BCHMC, December 1979). This questionnaire in effect asks the applicant if any of the conditions originally noted on the initial application have changed. If no response is made to the questionnaire in 10 days the applicant is automatically cancelled from the applicant list. This method of cancellation has several shortcomings including: (1) an absence of control over who is filling out the questionnaire; (2) the frustration of applicants not knowing the status of their applications; (3) an inability to determine the quality of shelter of the applicant; (4) the applicant not realizing that his or her application has been cancelled as the application for renewal was not received by the applicant, although mailed by BCHMC; and (5) it tends to lower the total number of persons on the applicant list without generating an understanding why people have not responded to the

questionnaire.

Another difficulty with Social Credit research is the government's inability to isolate the "income problem" as the cause for public housing demand. This can be detailed by analyzing Report II, Applications For Accommodation By Problem Category. The Commission has developed four criteria including: 1) Health/Social Problems; 2) Aged 53-64 Financial Problems; 3) Inappropriate Accommodation; and 4) No Problem. Once a senior citizen completes an application for BCHMC housing the application form is screened to determine which of the four criteria, outlined above, the senior can be placed in. If, on the application, the senior citizen applicant has indicated a Health/Social problem, regardless of any other problem noted on the application, the senior citizen will be placed in this problem category. The remainder of applicants, totalling 2,087, or 63% of all applicants for the quarter ending September 30, 1979, were placed in problem categories by order of placement priority. Table IV on the next page illustrates the results of this procedure.

It must be noted that the problem categories illustrated by Report II were developed by the Commission in 1977 in response to a request made by the administrators responsible for the implementation of the SAFER program (Personal Communication, BCHMC, December 1979). It appears that the variety of variables affecting the senior citizen's decision to apply for public housing were ignored by those government researchers responsible for the SAFER report on the BCHMC waiting list. For example, 1,904 applicants, or 59.5% of all applicants, have a Health/Social and a Poor Quality Accommodation Problem irrespective of high rent to income costs:

TABLE IV

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION, REPORT #2
 FOR THE QUARTER ENDING SEPTEMBER 30, 1979
 APPLICATIONS FOR ACCOMMODATION, BY PROBLEM CATEGORY, GREATER VANCOUVER REGION

SENIORS

	All Seniors Last Quarter	Net Change	All Seniors This Quarter	Percentage Distribution
I. Health/Social Problems				
(a) Health	443	23	466	13.9%
(b) Disability	156	3	159	4.7
(c) Security	464	-1	463	13.8
(d) Companionship	151	2	153	4.5
(e) Notice to vacate with cause	2	4	6	.1
Total	<u>1,216</u>	<u>31</u>	<u>1,247</u>	<u>37.3</u>
II. 55 to 64 Financial Problem				
(a) Rent exceeds 38% of income	384	-6	378	11.3%
III. Inappropriate Accommodation				
(a) Notice to vacate w/o cause	137	-13	124	3.7%
(b) Poor quality accommodation	688	54	742	22.2
(c) Family friction	195	-19	176	5.2
(d) Rent to income ratio above 38%	377	-29	348	10.4
Total	<u>1,397</u>	<u>-7</u>	<u>1,390</u>	<u>41.6</u>
IV. No Problem				
(a) Rent to income below 38%	-51*	-2	-53*	-1.5%
(b) No problem	357	22	379	11.3
Total	<u>306</u>	<u>20</u>	<u>326</u>	<u>9.8</u>
Total All Applicants	3,303	38	3,341	100%

Indeed, to say that the demand for public housing by senior citizens is a function of high rent to income ratios as the SAFER and the BCHMC Waiting List report and the Bairstow report have done is to ignore all of the other housing related variables outlined in Table IV.

An "income problem" is based upon determining that an applicant's rent exceeds 38% of income. Presumably the figure of 38% was chosen as a single elderly person receiving full GAINS and paying the maximum rent allowed under SAFER pays 38% of income to rent after SAFER benefits. To choose 38% of rent to income as the cut-off point for those with or without an "income problem" is to overstate the influence of SAFER on the income needs of the elderly and to ignore those elderly who because of low income and rental expenditures are paying less than 30% on rent to income and are thereby ineligible for SAFER benefits.

The impact of the problem categories, however, becomes especially apparent when it is recognized that the provincial government has used these categories to show how SAFER has affected the housing needs of seniors. The 1979 Annual Report of the Ministry of Lands, Parks, and Housing uses these categories, stating:

The majority of senior citizen applicants applied to the Housing Management Commissions during 1979 because they had either inappropriate accommodation or health problems of varying degrees (Lands, Parks & Housing, Ministry of, Dec. 31, 1979).

The report goes on to mention that SAFER had contributed to the 19.8% decline in senior citizen applicants to the BCHMC from December 1978 to December 1979. The major assumption here is that the income problem category is no longer evident because of the SAFER program. However, in this case, the definition of problem category has done more to eradicate the "income problem" than government faith in the SAFER program.

Compounding the difficulty in determining the extent of the "income problem" referred to by government researchers is the lack of BCHMC statistics on who is applying for public housing. Variables such as age, sex and income, although recorded on the application form for public housing, are not publicly available (Personal Communication, BCHMC, December 1979). Also the reports made public by the Commission cannot be used to determine why people apply for public housing since data are either not available or are presented, as in Report II, in such unspecific categories so as to make disaggregation of the data extremely difficult. If the relationship between the elderly on the BCHMC waiting list for public housing and the government defined "income problem" is not directly substantiated by the research presented by government, then it becomes of crucial interest to investigate how government views the influence of the SAFER program on the elderly of British Columbia.

Since the publication of the report S.A.F.E.R. and the B.C.H.M.C. Waiting List another report entitled Profile of the S.A.F.E.R. Beneficiaries prepared by the research staff of the Ministry of Municipal Affairs and Housing, was made public in October of 1978. This latter report indicated that by September of 1978 there were 14,668 households in receipt of SAFER. This figure represented an increase from the July and August figures as the report refers to the re-application time in July, rising incomes, and stable rents all affecting the number of beneficiaries (ibid, 1978:2-3). Of the 14,668 elderly clients of SAFER 12,234 (83.4%) are single, 568 (3.9%) are sharers, and 1,866 (12.7%) are couples. Also in regards to the total elderly population in British Columbia those elderly between the ages of 65 and 74 are under-represented in the SAFER

client group, while the opposite is true of those over 75 years of age. The analysis presented in the report states that due to high incomes upon retirement based on indexing of pensions, private pension plans, and the maturing of the Canada Pension Plan, the number of SAFER beneficiaries can be expected to decline and that ". . . long term subsidy costs under the SAFER program should stay within acceptable levels" (1978:5). This government research statement is very significant as it illustrates that the provincial government assumes increasing incomes will lower rent to income costs thereby placing income and housing needs within the rather arbitrary, if not ambiguous, politically defined priority of "acceptable levels". Furthermore, to expect rising incomes to decrease the number of SAFER clients is to under-estimate the effects of rent increases. As larger senior citizen populations approach retirement, one could expect that SAFER clients may well increase in number.

By using the statistics presented in the SAFER Profile report the influence of the SAFER on the incomes of SAFER beneficiaries and government expenditures can also be illustrated. Those low-income elderly in receipt of SAFER and GAINS are being treated differently than those low-income seniors not eligible for SAFER. For example, Table V indicates the increase of GAINS from \$319.17 in October 1978 to \$347.35 in January of 1979 has decreased the rent to income ration after SAFER. However, the rental expenditures of the single elderly SAFER client have increased by \$8.46 from October 1978 to January 1979 due to a rise in GAINS rates. At the same time the provincial government is paying \$6.35 less to the SAFER beneficiary. One of the consequences of this formulation is that low-income single elderly without SAFER have realized a \$28.20 increase in

TABLE V

THE RESULT OF INCOME CHANGES ON THE SAFER PROGRAM BY MARITAL STATUS

I Marital Status	II Minimum Income GAINS	III Maximum Per Unit Rent Allowed	IV Household Pays 1st 30%	V SAFER: 75% Rent of Over IV up to III	VI Tenant Pays 25%	VII Tenant Pays For All Costs Above III	VIII Total Tenant Payment IV, VI & VII	IX Rent to In- come Ratio After SAFER
October 1978								
Singles	\$319.17	\$205.00	\$ 95.75	\$81.94	\$27.31		\$123.06	38.5% ¹
Couples	\$618.28	\$225.00	\$182.43	\$31.92	\$10.65		\$193.08	32% ¹
January 1979								
Singles	\$347.37	\$205.00	\$104.21	\$75.59	\$25.20		\$129.41	37.25% ²
Couples	\$552.38	\$225.00	\$198.71	\$19.71	\$ 6.58		\$205.29	31% ²

¹Rent-to-income ratios without SAFER would be 66% for singles and 36.4% for couples.

²Rent-to-income ratios without SAFER would be 59% for singles and 34% for couples.

Source of figures: Maximum GAINS rates October 1978 and January 1979, Ministry of Human Resources.

income. SAFER clients using SAFER as an income supplement, are receiving a \$21.85 increase in income (add column II and V in both October 1978 and January 1979 and then subtract the totals). It must also be recognized that increases in rent could very well absorb increases in income assistance.

Since GAINS, SAFER, and the Renters' Tax Credit are increased by direct political decisions by the political elite in power, they offer the provincial government a way to limit expenditures for income assistance while at the same time making public statements to the effect that both shelter and income problems of the low-income elderly are being attended to. For example, the \$10,020,379 less spent on GAINS from 1976 to 1979 and the \$2,500,000 less spent on the Tax Credit between 1977/78 and 1979/80 absorb easily the \$9,000,000 allocated for the SAFER program, in 1979/80. It must be stressed that these decreases and re-allocations of budgetary expenditures are occurring in a time of inflation and growing shelter costs. Finally, increases in federal funding of pensions could be depicted as maintaining low levels of provincial government involvement in support services for seniors. In this context the provincial government is using the federal government to reduce its expenditures on SAFER and GAINS. Although both programs are not totally cost-shared under the Canada Assistance Plan, they remain tied to federal rises in assistance.

The question remains, for whom has the SAFER program been cost effective? As there is no direct means of comparison between public housing quality and the effect of SAFER on the quality of open market housing, "cost effectiveness" and "cost benefit" become just another means by which the provincial government has justified declining government

expenditures. By March 1979, with the use of the SAFER research reports, the provincial government and federal government signed a Global Funding and Low Income Operating Agreement effectively stopping all public housing construction. The acting director of the provincial government housing program writes in regards to public housing:

The current provincial policy sees rental housing assistance provided by the Province in the form of the S.A.F.E.R. Program. . . . The Province no longer constructs, owns and manages such projects itself (Personal Communication, June 1, 1979).

The Social Credit government has not publicly stated or apparently realized that the SAFER Program is not simply rental housing assistance but instead is an income supplement. Shelter to income costs only determine eligibility and as SAFER goes to the individual senior citizen, instead of to landlords, it becomes another means by which the provincial government has subsidized the income of some members of the elderly population at the expense of many other senior citizens' housing needs.

The Social Credit's political elite's belief in government non-intervention in the private housing market, combined with federal government financial shifts away from public housing construction to support of the private housing market has led to the provincial government's adoption of research that appeared to detail the correctness of the steps taken by the provincial government. The Social Credit government was faced with specific recommendations in the absence of documentation demonstrating the problematic assumptions and methodology employed by government researchers. Furthermore, provincial government researchers have accepted the faulty research methods and assumptions related to the "income problem" definition and thereby have influenced the Social Credit political elite's decision to withdraw from the construction of public housing.

CHAPTER V

CONCLUSIONS

SAFER and the Housing of Senior Citizens

The provincial government's decision to substitute the SAFER program for public housing construction has had a direct impact upon the housing of senior citizens in British Columbia. While SAFER increases the income of its clients, it also decreases the opportunities of these seniors to be placed in public housing. Also, by over-emphasizing the SAFER program's effect on seniors' housing, the provincial government has continued to ignore the quality of shelter occupied by seniors and housing shortages in British Columbia. The first section of this chapter details the operation of the placement of seniors in public housing.

A senior's eligibility for admission to public housing operated by the BCHMC can be adversely affected if the senior is in receipt of SAFER. A senior citizen is entitled to be an applicant for public housing if over the age of 65, in receipt of Old Age Security, and a resident of British Columbia for the previous 2 years, or 4 years at some previous time. Once an application is received it is pre-coded on the basis of a point score assigned to various indicators of income and housing needs. Seniors given priority of placement in public housing are those who receive the highest point score. In this context, as is shown below, SAFER acts to decrease the final point score of seniors applying for public housing.

Once a vacancy becomes available those receiving high point scores and having chosen the general vicinity of the public housing building which

contains the vacancy are interviewed in their homes. It is at this stage that a BCHMC area placement representative makes a personal assessment of an applicant's social, health, and housing characteristics and suitability for the vacant housing unit. One's need for housing is crucial in the senior's quest for public housing, but the senior's personal characteristics and habits are also considered by the placement representative in assigning seniors a housing unit. Once a suitable housing unit is found for a senior citizen, he or she is asked whether they would like to move to the vacant public housing unit. If an offer of accommodation of the applicant's first preference is declined by the applicant, accompanied by two other refusals of accommodation, the applicant is cancelled from the applicant list. Cancellations from the waiting list for public housing further reduce the numbers of seniors on the waiting list. The screening process of allocation of rental units is outlined below:

- Stage I
 - A. Application is made
 - B. Application is pre-coded by BCHMC
 - C. Result: Pre-point score
- Stage II
 - A. Applicant is interviewed
 - B. Final point score is determined by interview
- Stage III
 - A. Applicant is offered rental unit by
 - 1) final point score
 - 2) location preference given for building
 - 3) location of rental unit in building with reference to applicant's personal characteristics
- Stage IV
 - A. If applicant accepts offer: housed by BCHMC
 - B. If applicant rejects offer: possible cancellation from applicant list

Although ultimately the personal assessment of a senior citizen's suitability for public housing determines whether one is offered accommodation, it is the use of the point-score form which largely determines whether one will be considered for a public housing rental unit (Appendix II). Analyzing the point-score form, the first priority for placement are persons who have received notice to vacate without cause (Personal Correspondence, BCHMC, December 1979). Although this category is assigned 40 points, less than the 50 points assigned for housing and location problem categories, first priority is given to this group irrespective of the final point-score. This first method of housing allocation consequently reflects the influence of extenuating circumstances in determining the ability to be housed by the BCHMC and thus places limits on use of the point-score form to determine eligibility for placement.

The next category on the point-score form can be referred to as housing and locational problems involving one or more of overcrowding, an inadequate bathroom, kitchen, laundry, heating, light/air, transportation, and neighbourhood services totalling a maximum of 50 points. Income problems relating to percentage of income paid as rent and gross income from all sources is given 70 points. Health factors are awarded 8 points for stress or anxiety caused by present accommodation, while 15 points are assigned for physical disability. The other category consists of points for residency and separated couples totals 15 points.

A closer check of the total points assigned to income indicates that the ability to collect the maximum total of 70 points is rapidly diminished given the criteria used for conducting the point-score assessment. Examining item number 15 (Appendix II), those single elderly in receipt of GAINS and SAFER receive only a maximum 10 points out of a possible 20.

For those married seniors in receipt of GAINS and SAFER the maximum available is 5 points. Those who could collect the maximum points are those not on SAFER and those elderly who have enough income to allow for a high rent to income ratio.

A check of item number 16 also produces similar limitations as item number 15. The rationale used for this section is the higher the income, the lower the point-score. A maximum 50 points is assigned for gross income from all sources including savings and interests on investments, assets, computed at 8% per annum after the first \$3,000.00. This item affects the senior citizen homeowner whose assets (including accommodation) would necessarily negate receiving points in this section. Homeowners are in a difficult position as they may be living in substandard housing, but are ineligible for SAFER and are discouraged from receiving public housing. Under this item the single elderly person with GAINS receiving a maximum income of \$347.37 in January of 1979 would receive 30 out of a maximum 50 points. If SAFER was added to the GAINS payment, only 20 points could be claimed. The elderly couple in receipt of GAINS with an income of \$675.00, the maximum under GAINS, would not receive any points.

Combining both items number 15 and number 16, those elderly persons on GAINS and SAFER in receipt of the maximum amounts of each program could only receive a total of 30 out of a possible 70 points. The elderly couple in receipt of GAINS and SAFER could only collect a total of 5 out of 70 points. The point-score penalizes those on SAFER and those with rental expenditures below those allowed to qualify for SAFER benefits. Also the point-score minimizes the opportunities for an elderly couple to qualify for housing operated by the BCHMC.

The BCHMC has tipped the determination of the final score in favour of those not in receipt of SAFER. By giving so few points to SAFER clients in the income category the Commission has assumed that SAFER benefits have met seniors' "income problem" and therefore their need for public housing. This assumption ignores the fact that seniors in receipt of SAFER may have a quality of housing problem which public housing could remedy. Paradoxically, as public housing construction has been stopped those elderly persons waiting for public housing have less of an opportunity to be placed and thus are forced on to SAFER which decreases even further their ability to obtain public housing.

If a SAFER grant is spent on rent it may well act as a means whereby the landlord can raise the rent and receive the majority of the SAFER benefit. The provincial government may then have guaranteed the rent increases of landlords whose tenants would be unable to pay their rent without SAFER. Although there are no data available to verify this possibly unintended consequence of SAFER, it could be that with rising operating costs faced by the landlord in the open housing market, with the government backing away from housing construction, the rapidly dwindling of usable land in the urban centers, and the growth of the elderly populations, that the SAFER program offers not only relief to the elderly but perhaps the only means by which landlords can allow the elderly to remain in their present residence without forcing them to move to poorer quality low-cost housing by raising the rent.

A representative from the BCHMC remarked to me that SAFER was in fact working well because the public housing waiting list had been steadily decreasing (Personal Communication, BCHMC, December 1979). For this representative a dwindling waiting list apparently means that SAFER

had alleviated seniors' need for housing assistance. What is not recognized here is that a reduction in the waiting list could be a result of the frustration of those waiting for public housing, biases built into the point-score form, seniors needing housing but recognizing the futility in applying given the low vacancy rates and lack of public housing construction. This BCHMC representative's views on the dwindling waiting list can be substantiated only if the problematic assumptions and research produced by government on SAFER are ignored.

The implementation of SAFER has accompanied and justified the stopping of all public housing construction in British Columbia thereby forcing the vast majority of senior citizens to compete in the open housing market without adequate means to better their quality of accommodation. Of the 7,943 senior citizens who applied for public housing between June 1, 1978 and December 31, 1978 only 544, or 6.8%, were housed by the BCHMC (Annual Report 1978). Quality of shelter becomes a key issue for low-income elderly, as their ability to better their accommodation or at least to maintain their present accommodation is inhibited not only by the low incomes they receive from government but also by the lack of access they have to social housing.

One of the largest and most recent studies of housing quality is the CMHC study in 1974 entitled 1974 Survey of Housing Units. This study, conducted by CMHC and Statistics Canada, was to ". . . relate dwelling unit characteristics and occupant characteristics by individual household" for 23 major urban centers across Canada in order to supplement the decennial census. In Vancouver of the 45,510 dwelling units surveyed by dwelling unit condition for those heads of households over 65 years, 6.6% were living in poor quality accommodation, while 91.9% were living in a

dwelling unit classified as being in good condition (Table 3.5). The classifications of "poor" and "good" were based upon the presence or absence of the following exterior characteristics: 1) sagging roof; 2) sloping walls; 3) poor foundations; 4) ~~decaying~~ wood; 5) shingles missing; 6) sagging eaves; 7) broken windows; 8) loose bricks; 9) poor porch footings; 10) poor paint; 11) poor land grading. The classification of poor housing is when one or more characteristics from number 1 to number 4 exists, or three or more characteristics from number 5 to number 11 are present (ibid, 1974:2). These categories have serious shortcomings; although the exterior of a building may be classified as "good", the interior may be in need of repair. The 1974 study did not investigate interior housing quality so that any conclusions about housing quality of dwellings occupied by seniors based on the 1974 study could be very misleading.

A major study of the interior conditions of dwellings occupied by seniors, amongst others, was conducted by DERA in conjunction with the Vancouver Social Planning, Health and Fire Departments and the CMHC in 1978. Although the housing conditions and residents surveyed are not typical of the city or the province as a whole, the study stands as an example of the type of shelter some seniors inhabit. The results of a survey of 23 hotels and rooming houses and their tenants in the Downtown Eastside of Vancouver was published in the document entitled Housing Needs, Food Costs and G.A.I.N. Rates. This study represented a response by the City of Vancouver and CMHC to DERA's request for a study to determine the "... condition of the existing housing stock in the area, as an indication of the need for new housing" (DERA, 1978:5).

The DERA report documented that 75% of those 100 people over the

age of 65 in the survey are not eligible for SAFER because their rent costs were less than 30% of income. Only 3 out of the 100 seniors interviewed were receiving something from SAFER. Of the group of 75, 86% had an income of \$350.00 per month or less and as such could be considered in the poorest income group of all seniors. Those eligible for SAFER also were found to have the following problems with their dwellings: 82% had 6 or more by-law infractions, 57% had 9 or more and 17% had 12 or more infractions. These by-law infractions included poor maintenance of the floor, walls, ceiling, windows, and plumbing fixtures. Also, lighting, size of room, ventilation, access to emergency exits and a fire inspection were also documented. The total number of infractions from all 23 buildings was 9,743. Those elderly surveyed, the majority of whom were ineligible for SAFER, were undoubtedly living on very low incomes and living in substandard accommodation of poor quality. On the basis of the recorded statistics DERA recommended to Hugh Curtis, Minister of Municipal Affairs and Housing that SAFER should be expanded with a public housing construction program. There has been no indication that any action has been initiated in response to this request.

The DERA report presented an appeal for a combination of shelter and income assistance, as had the NDP's housing policy report and the Director of Planning's Report. However, poor housing quality has always been assumed by provincial authorities to be alleviated once SAFER is received by a senior citizen. Although SAFER does assist some elderly in British Columbia, it has overlooked the possibility that seniors may have a shelter quality problem when they have shelter expenditures of less than 30% of their total income. The Social Credit government has been intent on

raising the rent ceiling for SAFER while at the same time not considering the quality of housing that seniors inhabit. It must be noted that raising the rent ceiling of SAFER has no effect on those seniors spending less than 30% of income on shelter.

Moreover, by accepting the Global Funding Agreement in March, 1979 the Social Credit government decided two things: that new public housing will not be constructed and that non-profit housing will receive provincial and federal funding to care for those elderly in need of shelter. It must be remembered that the provincial government at this time has no idea of how many elderly are in need of shelter in the province. It is assumed that somehow non-profit housing will look after the possible shortages of housing that could affect seniors. The problem with this assumption is that there are no recent statistics available to illustrate how effectively non-profit housing actually caters to the housing needs of the low income elderly population. It would appear that low income elderly are essentially being left out of non-profit housing since only 5,814 senior citizens residing in non-profit housing were in receipt of provincial-federal government rental supplements out of 13,487 seniors residing in non-profit housing in the province (BCHMC, Annual Report). Although provincial and federal governments subsidize non-profit housing they do not determine ultimately who is allowed into these units.

By March 1980, the real impact of the SAFER program within government housing policy became evident. The Social Credit government budget of 1980-1981 totalled \$5.8 billion, the largest budget in British Columbia history. However, only \$1 million had been allocated for low cost housing for seniors and other people with special needs for all of British Columbia. Mayor Volrich of Vancouver responded to this \$1 million housing allocation by stating:

The province had a "rich" budget and could have directed some of its wealth into rental accommodation, especially for senior citizens and people with special needs. . . . the budget provides for only \$1 million for the entire province, which is unlikely to have much impact (Vancouver Sun, March 12, 1980, Section C, p. 1).

Lorne Nicholson, Member of the Legislature for Nelson-Creston and opposition housing critic, commented on the Social Credit government's lack of commitment to housing in the Vancouver Sun:

B.C.'s housing system, which has been handed over to private interests, is not servicing the people of B.C. and the government should act (March 18, 1980, Section A, p. 11).

Indeed it appears as if the Social Credit government and researchers do not even comprehend the numbers of people affected. In this case, it would seem that the political decision-making process, although hidden from public scrutiny, has as its goal the minimizing of provincial government housing expenditures as long as government can reduce the apparent demand for increased public housing.

As governments at the provincial and federal levels are backing away from public housing construction, housing and rental shortages in British Columbia are increasing the difficulty people on low incomes have obtaining affordable housing. In part, shortages in housing and rental units are due to population migrations. In Greater Vancouver, for example, preliminary population projections for the year ending March 31, 1981 illustrate that as many as 20,800 people migrated to Greater Vancouver or approximately 400 a week (Vancouver Sun, A10, Feb. 7, 1981). In 1979/80 British Columbia received a net migration of 51,000 persons, of which 18,466 came to Greater Vancouver. With this increase in population, housing prices rose as much as 80% in the last 8 months in British Columbia. Keith Tapping, general manager of CMHC in the British Columbia region, responded to increases in housing costs by stating: ". . . housing

costs are outpacing the growth of incomes" (Sun Newspaper, A3, Feb. 19, 1981). As housing demand increases along with housing prices low-income groups increasingly find themselves unable to obtain affordable housing.

The rapid escalation of housing prices in the province is forcing increasing numbers into the rental housing market. A CMHC study concluded in October 1980 that of the 400,000 tenant households in the province 34%, or 120,000, were paying ~~over~~ 25% of their incomes on rent. Although current data on the average costs of rent are not available given the variability of rent dependent upon size of rental unit, and location and age of unit, it has been noted by the Rent Review Commission that rents for units that are not subject to rent controls increased last year by 19.5%. Ian Fraser of the Vancouver Sun writes of the average rental in Vancouver:

The average monthly rent in a non-controlled two-bedroom apartment in Greater Vancouver, which faces the most serious affordability problem in the province now stands at \$458.00 (A3, Feb. 19, 1980).

Low-income groups are facing the greatest problem as they are caught in a predicament of having to live in rental accommodation because of housing costs but finding that rent increases are outpacing their ability to pay for shelter. As increasing housing prices push more young people into the rental market the ability of low-income seniors to secure affordable housing is reduced.

Increasing rental costs and shortages can be expected to remain in British Columbia as the population keeps growing. Between October 1979 and October 1980 the British Columbia population grew by 2.7% while the national annual growth rate was 1.3% (Vancouver Sun, A10, Feb. 7, 1980). These population increases have directly led to lower vacancy rates throughout the province. For example, in 1979 the average vacancy rate was 0.2% in

Greater Vancouver, or 2 vacancies per 1000 units, while in 1980 the vacancy rate was only 0.1% (Vancouver Sun, Feb. 9, 1980, A12). Helmut Pastrick, a CMHC market analyst, commented on the figures by stating:

There is virtually a zero vacancy rate for units subject to rent controls and older moderately priced units. Renters are looking at the upper end of the market (ibid, p. 80, A12).

Senior levels of government have, nonetheless, backed away from any concerted effort to house low income groups in the province. Jim Chabot, Minister of Lands, Parks, and Housing succinctly sums up the provincial government approach to housing by stating:

. . . the problem is basically one for the private sector to solve. . . "Industry is fully committed right now . . . going flat out" (ibid, 1980, A12).

These statements attributed to James Chabot ignore all of those low income groups who cannot compete financially for an increasingly scarce resource-- the affordable rental unit. It must be stressed that the private sector has traditionally ignored low-income groups as housing construction has been for middle and upper income groups.

Low-income groups on fixed incomes will undoubtedly be among the least able to afford rent increases. A general lack of rental housing construction for low-income groups in British Columbia due to senior levels of government stressing faith in the private market and restricting budgetary expenditures on social housing has directly influenced the ability of low income seniors to obtain affordable housing. Shelter subsidies are not necessarily the answer to the housing problem as Ann McAfee, City of Vancouver Housing Planner states:

An income supplement would enable low income renters to afford to pay higher rents but that money would go into the pockets of landlords and would do little to alleviate the problem on a long-term basis (Vancouver, City of, Part IV (d), 1980:82).

SAFER, in view of the above quote, remains a short-term political response, supported by faulty reasoning, to the growing problem of housing seniors in British Columbia.

Public Housing Policy and the Evolution of the Welfare State in Canada

This final section of the thesis provides a statement of the broader implications of this study by drawing together the various theoretical perspectives and methodological concerns dealt with in the introductory chapter. Although it was recognized that public housing policy was only one particular aspect of the evolution of the welfare state in Canada, its research has contributed to insights for the further study and examination of the development of social policy in Canada.

Researchers who seek to venture beyond talking about the general evolution of the welfare state in Canada and concentrate on particular case studies are confronted with certain inescapable methodological problems. First, a thorough and complete examination of particular policy changes is hampered by the fact that policy changes are in the end formulated in terms of political decisions. Political input into particular social legislation or programs is not always apparent as political decisions are often determined behind the closed doors of cabinet meetings. In the case study presented in this thesis, this methodological problem led to a difficulty in determining the precise impact of government research on political decision-making.

A second consideration facing those who examine the decision-making process in public policy is the complexity inherent in the relationship between three levels of government, all of whose actions constrain one another, but not to the same extent. As social welfare measures are

increasingly spread across many political jurisdictions a policy decision is not often made without some political consultation between different levels of political elites. This situation is further complicated when it is realized that each level of government carries with it varying degrees of political and financial power. This difference in political influence underlies the problem of explaining any social policy without mention of the jurisdictional role, power and political philosophy of each political elite in the decision-making process.

Third, much of the demonstrated statistical data and program research conducted by government sponsored researchers is unreliable. This problem is important since any given social policy decision is usually supported with government statistics and research. To ignore the research conducted in support of a particular social policy can lead to uninformed acceptance of politically motivated policy statements. In this case study it was exceedingly important to obtain the basic research on the social policy before the social program could be objectively analyzed.

Unless sociologists are prepared to engage in research which goes beyond generalities into particular case studies they will either have to ignore the welfare state, a major facet of our society, or depend upon the analyses of "experts" working in the field. At the very least, given the questionable assumptions of some of these "experts", much more work is needed in this area of social policy analysis.

Although this case study cannot conclusively test sociological and political science theories of the welfare state in Canada, it does lend empirical support to some of the theories. Olsen's (1980) fragmentation thesis is partially substantiated by this case study in the sense that the

separation of jurisdictional responsibility between the often conflicting interests of provincial and federal political elites has sparked, in the case of the NDP housing initiative, political resistance to the demand for expanded social measures. Although the provincial government had the jurisdictional responsibility for housing (by terms of the British North America Act), federal government financial support was needed to construct public housing. Consequently, the federal government's refusal of the NDP government's request for housing funds curtailed the building of public housing for seniors in British Columbia.

Furthermore, federal government resistance to the provincial government demands for housing funds led to a change in public housing policy for seniors. The development of the SAFER program was a response by Social Credit government to an established provincial responsibility for providing public housing with federal government financial support. Thus the separation of jurisdictional responsibility for housing directly influenced both the construction of public housing for seniors and the formation of housing policy in British Columbia.

The preoccupation by all levels of government with the financial costs of supporting social welfare programs has increasingly led to a situation where both federal and provincial politicians look to the opposite level of government to develop and fund social legislation. Although historically the federal government usually has taken the initiative to create, administer, and fund social programs, this role was modified with the development of the Canada Assistance Plan in 1966. Through this plan the federal government limited its role to one of sharing costs with provincially administered and initiated social programs.

This change resulted in responsibility for the needy in British Columbia being deflected from either federal or provincial jurisdictions to the more ambiguous sphere of cost-share contractual agreements between various levels of government.

Moreover, by taking advantage of cost-share provisions of the Canada Assistance Plan, the Social Credit government of British Columbia has since 1975 been able to cut back both on budget expenditures and on the number of people receiving government assistance. Thus, these "shared or grey areas of responsibility" (Olsen, 1980:13) have not only allowed politicians to deflect public criticism of government inaction to other levels of government, but have also led to the withdrawal of financial assistance from some social welfare programs.

Djao's (1979) argument that the political elite for the most part only initiate social legislation in response to crisis situations is also upheld in part by this study. With the use of a social-historical approach it was shown that politicians have usually been hesitant at first to change their traditional role and to support social welfare measures in a more active fashion. However, crisis situations, combined with the lobbying of various interest groups, have led to politically motivated expansions of social welfare legislation.

This case study expands Djao's argument by noting that changes in political elites can also affect social measures, irrespective of crisis situations. The NDP government's financial support of public housing construction gave recognition to the urgent need for housing for seniors. On the other hand, the later Social Credit government interpreted the demand for housing as a response to the burden rental expenditures place on a senior citizen's income. As a result, the Social Credit government replaced public housing construction with an income supplement program based on rent to income

ratios. Indeed, the definition of what represents a crisis situation is at least, in part, dependent upon the nature and interests of the political elite in power.

The theoretical positions of the political science approaches surveyed in the introduction to this thesis are also supported, in part, by this case study. Incrementalist theory, a micro-policy approach, stresses that decision-makers determine courses of political and bureaucratic action on the basis of alternatives to existing policy. Indeed, the SAFER program was a product of a series of alternatives to public housing construction open to Social Credit politicians. However, the choice of SAFER as an alternative to existing public housing construction was also dependent upon the social philosophy of the political party in power. The NDP's public housing construction policy was based upon the belief that housing was a "social right" for all people living in British Columbia. On the other hand, Social Credit housing policy for seniors was based upon the principle that the provincial government should not be expected to construct housing for seniors. The Social Credit government's faith in the private housing market contributed to the development of SAFER as a means of replacing public housing construction.

Public-choice theory also received some support from this thesis. This approach contends that since policy decisions are often hidden from public scrutiny that it is necessary to form "deductive models of individual behaviour" (Simeon 1976:577) on the basis of assumptions contained within policy itself. These deductive models were based upon the assumption of self-interest and economic incentives to be gained from a policy decision. In this case study the SAFER program was introduced to seniors and to the public not only as a response to housing needs, but also as a "cost-

effective" policy, compared to public housing construction. Furthermore, the general development of social welfare provisions in Canada has been dependent in part upon political elite's ability to justify a policy decision on the basis of social benefits as well as some larger economic gain.

Neo-Marxist theory has also provided several useful insights into the field of housing policy by stressing that in most cases social policy is a function of economic factors in the environment. Although this study produces factors other than economic ones to examine social policy, the evolution of public housing policy for the elderly in British Columbia shows that political elite's economic priorities are usually represented in the particular measures they adopt.

This thesis expands the social-historical and micro-policy approaches by not simply describing why a particular policy decision was made, but by determining how a change of policy was accomplished. This was accomplished through an analysis of government research used to justify the implementation of the SAFER program. It appears that the SAFER program was in large part the outcome of government researchers manipulating the definition of housing need and using invalid research procedures in the course of seeking ways to alleviate the provincial government's costly responsibility for public housing construction. The manipulation of the notion of housing need for seniors represented another means by which politicians have wittingly or unwittingly attempted to resist the expansion of social programs.

The social-historical approach within the current sociological literature generally proceeds on the assumption that in Canada welfare programs will slowly but inevitably expand. However, this case study reports another type of development; the scaling down of government welfare commitments and abandonment of previous responsibilities. This political

alteration of welfare policies illustrates both the tenuous nature of political elite support of welfare programs and the questionable inevitability of the expansion of the welfare state in Canada. The general implications of these findings might well be taken into account by sociologists and others concerned with the nature and operation of the welfare state in Canada.

APPENDIX I

Table 6 - Health and Social Services Expenditures, Fiscal Years Ending March 31, 1965, 1970, and 1975 (Estimated)

	Fiscal Year Ending March 31		
	1965 \$	1970 \$	1975 \$
Hospital care	72,896,000	159,163,000	367,595,000
Social services	66,883,000	112,580,000	303,354,000
Housing	177,000	5,655,000	76,484,000
Medical care		52,599,000	105,000,000
Mental health	18,811,000	37,461,000	59,017,000
Public health	11,071,000	16,114,000	27,904,000
Total	169,838,000	383,572,000	939,354,000

Source: Finance, Ministry of, Budget Speech, Legislative Assembly, Victoria, (February 11, 1974:23).

APPENDIX II

SENIOR CITIZEN POINT-SCORE FORM

FILE REF. _____

	<u>POINTS</u>	<u>SCORE</u>	<u>REMARKS</u>
1. Notice to vacate (other than cause)	40		
OR After first offer	25		
OR Notice to vacate (from family or friends)	25		
SUBTOTAL	40 or 25		
OR			
2. Present accommodation (overcrowding, lack of privacy, rundown conditions)	10		
3. Inadequate kitchen facilities	5		
4. Disrepair resulting in hazards	5		
5. Bathroom inadequate or common facility	7		
6. Inadequate laundry facilities	5		
7. a) Heating facilities inadequate	5		
b) An additional expense	3		
8. Inadequate light/air	3		
9. Lack of public transportation (no car), clinics, shopping, sitting out areas, etc.	5		
10. Other unsatisfactory conditions (undesirable neighbourhood, unpleasant atmosphere, and/or noise, etc.)	5		
Inadequacy Subtotal	50		
11. Separated couples (through lack of accommodation)	5		
12. Health factors (aggravated by present accommodation, stress, anxiety, obvious physical dis- ability)	8/15		

Appendix II (cont.)

	<u>POINTS</u>	<u>SCORE</u>	<u>REMARKS</u>																		
13. Residency (1 point for each of the past 10 years)	10																				
<hr/>																					
14. Waiting period to be used when updating without offers	10																				
1 year = 2 pts. 4 years = 8 pts.																					
2 years = 4 pts. 5 years = 10 pts.																					
3 years = 6 pts.																					
<hr/>																					
15. Percentage of income paid as rent	20																				
0 - 25% = 0 pts. 35 - 39% = 10 pts.																					
25 - 29% = 3 pts. 40 - 49% = 15 pts.																					
30 - 34% = 5 pts. 50% + = 20 pts.																					
<hr/>																					
16. Income - gross from all sources including savings and interest on investments, assets, computed at 7% per annum after the first \$3,000	50																				
<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Single</u></th> <th></th> <th style="text-align: left;"><u>Couple</u></th> </tr> </thead> <tbody> <tr> <td>0 - 175</td> <td>50 pts.</td> <td>0 - 300</td> </tr> <tr> <td>175 - 300</td> <td>40 pts.</td> <td>301 - 400</td> </tr> <tr> <td>301 - 375</td> <td>30 pts.</td> <td>401 - 550</td> </tr> <tr> <td>376 - 500</td> <td>20 pts.</td> <td>551 - 625</td> </tr> <tr> <td>501 -</td> <td>0 pts.</td> <td>626 -</td> </tr> </tbody> </table>	<u>Single</u>		<u>Couple</u>	0 - 175	50 pts.	0 - 300	175 - 300	40 pts.	301 - 400	301 - 375	30 pts.	401 - 550	376 - 500	20 pts.	551 - 625	501 -	0 pts.	626 -			
<u>Single</u>		<u>Couple</u>																			
0 - 175	50 pts.	0 - 300																			
175 - 300	40 pts.	301 - 400																			
301 - 375	30 pts.	401 - 550																			
376 - 500	20 pts.	551 - 625																			
501 -	0 pts.	626 -																			
<hr/>																					
SUB TOTAL		110																			
<hr/>																					
MAXIMUM NUMBER OF POINTS		160																			
<hr/>																					

INTERVIEWER _____

DATE _____

BEDROOM SIZE _____

TOTAL POINTS _____

BCH #4B

Source: BCHMC, December 1979.

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¹The terms "senior citizens", "the elderly" or "seniors" are used interchangeably in the thesis to designate those people in the population 65 years of age or older. This age limit was chosen because it is commonly used in government research and the programs researched in this thesis to designate senior citizen status.

²Government research reports and legislation consistently refer to low-income seniors as recipients of Old Age Security and the Guaranteed Income Supplement.

Old Age Security refers to income assistance provided for all seniors who meet age and various residency requirements. Since 1970 the age of eligibility has been 65 years.

Guaranteed Income Supplement is given to those seniors in receipt of Old Age Security who have little or no other income. Recipients of the Guaranteed Income Supplement not only have to meet the qualifications for Old Age Security but also apply annually with the use of a needs test to determine eligibility. For every \$2 a month of income in addition to government pensions \$1 is taken off the Guaranteed Income Supplement. Income is computed in accordance with the Income Tax Act.

Since October 1973 both Old Age Security and the Guaranteed Income Supplement have been escalated quarterly using the Consumer Price Index.

Source: Statistics Canada. Social Security National Programs 1978. Ministry of Industry, Trade and Commerce, Ottawa, 1978:251-261.

³This thesis refers to political elites as members of federal or provincial cabinets.

⁴Quebec did not join the Canada Pension Plan and instead opted for a provincially administered pension known as the Quebec Pension Plan.

⁵The Spouse's Allowance, initiated October 1975, provides a maximum amount equal to Old Age Security and Guaranteed Income Supplement for the spouses of an Old Age Security pensioner, if the spouse is between 60 and 64 years of age and would normally qualify for Old Age Security, except for age. A needs test is used to determine eligibility for the Guaranteed Income Supplement.

⁶The budget expenditures in Table I represent gross expenditures and thus can be considered to be further reduced once the federal contribution under the provisions of the Canada Assistance Plan is transferred to the provincial government. The amount of funds cost-shared by the federal government is not publicly available so that the relationship between the Canada Assistance Plan and particular government programs remains speculative.

⁷This figure was determined by multiplying the 14,668 seniors in receipt of SAFER in 1978 by \$80.00.

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