

interest rate were 8%. Similar arrangements could be made with builders or owners of rental housing who were prepared to enter an agreement with CMHC regarding rents and other matters. The effect of providing assistance in this way through repayable loans rather than subsidies, with the bulk of the mortgage financing being provided by the approved lenders, was to conserve public capital, and to ease the financial burden on the home buyer in the early years of ownership.

In addition to providing grants of \$1,000 a unit to municipalities for low-cost medium-density housing, the bill also extended the benefits of the Sewage Treatment Assistance Program to water treatment projects required to open land for residential development.

14.2 Government assistance

Although the federal government entered the housing field in 1918 when it made money available to the provinces for re-lending to municipalities, the first general piece of federal housing legislation was the Dominion Housing Act passed in 1935. This was followed by the National Housing Acts of 1938 and 1944. The present National Housing Act, defined as "an Act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions", was passed in 1954.

In general the federal government, through successive Housing Acts, has attempted to stimulate and supplement the market for housing rather than assume direct responsibilities that belong to other levels of government or that could be borne more effectively by private enterprise. The aim has been to increase the flow of mortgage money and to encourage lenders to make loans on more favourable terms to prospective home-owners. Almost half of the country's present stock of approximately 6.5 million dwelling units have been built since the first covering legislation was enacted. About one third of these were financed in one way or another under the Housing Acts.

The Farm Credit Act, providing for federal long-term loan assistance for housing and other farm purposes, and the Farm Improvement Loans Act, providing for guarantees for intermediate- and short-term loans made by approved lending agencies to farmers for housing and other purposes, are described in greater detail in Chapter 11. The Veterans' Land Act provides a form of loan and grant assistance to veterans for housing and other purposes; it is dealt with in Chapter 6. These three statutes are concerned only incidentally with housing.

All provinces have complementary legislation providing for joint federal-provincial housing and land assembly projects, and most have enacted separate legislation on housing. Details are available from the respective provincial government departments.

Central Mortgage and Housing Corporation. This federal Crown corporation, created by Act of Parliament in 1945 (RSC 1970, c.C-16), makes loans and contributions to individuals and organizations for housing. The funds may be used for construction of new housing or rehabilitation of existing units, neighbourhood improvement, planning and servicing new communities, land assembly, construction of student housing, and the construction and expansion of sewerage and water supply projects. These "start-up funds" enable individuals or private non-profit organizations to undertake housing projects for low-income groups and for housing on Indian reserves, among other purposes.

The corporation may also construct and administer housing and certain other buildings on its own account and for other government departments and agencies. Its responsibilities include providing architectural and engineering designs, calling public tenders, administering construction contracts, including on-site surveying and engineering and carrying out full architectural and engineering inspections.