

During 1978 decline was evident in both housing starts and completions. Housing starts in Canada declined to 227,667 units from the 1977 level of 245,724. Housing completions also decreased from 251,789 to 246,533 units. The number of dwellings subsidized by direct loans under the National Housing Act (NHA) was slightly lower than in 1977. Those financed by private lenders under NHA mortgage insurance agreements decreased by nearly 75% and the number of units built under the assisted home-ownership and assisted rental programs was also lower than in 1977.

The federal government and housing

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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 item of federal housing legislation was the Dominion Housing Act passed in 1935. This was followed by national housing acts in 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 the country's 7.5 million dwelling units have been built since the first covering legislation. About one-third were financed under the housing acts.

All provinces have complementary legislation providing for joint federal-provincial housing and land assembly projects, and most have enacted housing legislation.

Significant changes in federal housing policy in 1978 resulted in amendments to the NHA which were passed in March 1979. These amendments were directed to: provide for social housing for people of low or moderate incomes, to be financed by the private sector through enlarging the program of NHA mortgage insurance and by the provision of subsidies to non-profit and co-operative corporations, both private and public; eliminate the municipal infrastructure program and replace it with an annual subsidy to each province providing for a greater range of capital projects; reduce the duplication of detailed work by federal and provincial officials by relieving the federal government from undertaking project scrutiny; and extend the concept of graduated payments, previously offered in the assisted home-ownership program, to existing housing, substituting private for public capital.

The Ministry of State for Urban Affairs (MSUA) was disbanded on March 31, 1979, as a result of a government decision in November 1978. The ministry was created in 1971 to identify and analyze settlement and urbanization problems of federal concern and to develop policies which would improve the quality of life in Canadian cities.

In 1978 the ministry's operating expenditures, including \$4.0 million for contracts to support MSUA's urban policy research work, totalled \$10.3 million. Contributions supporting urban development projects, planning studies and railway relocation initiatives for other levels of government and undertakings by various organizations totalled \$4.5 million.

Canada Mortgage and Housing Corporation (CMHC)

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This corporation is the federal agency which administers the National Housing Act. The name was changed from Central Mortgage and Housing Corporation on July 1, 1979. The change was made to identify it more readily as an agency of the federal government,