NHA POLICIES AND PROGRAMS FOR THE SEVENTIES

VOLUME 2

A Policy Overview

Policy Planning Division
Central Mortgage and Housing Corporation

NHA POLICIES AND PROGRAMS FOR THE SEVENTIES

VOLUME 2

A POLICY OVERVIEW:
ISSUES, FACTORS AND CHOICES

POLICY PLANNING DIVISION

CENTRAL MORTGAGE AND HOUSING CORPORATION

CONTENTS

I. DIRECTIONS FOR A DECADE

In early 1970, the Minister Responsible for Housing made two submissions to Cabinet, on the urban future of Canada, and on the Federal role in shaping that future. This "Overview" document, the companion Resource Document associated with it, and indeed, the entire set of policy papers produced during the past year form the first major attempt to follow up those submissions with concrete action, action to define a new Federal urban role on-the-ground in our cities and towns.

As its title implies, the present paper is intended to provide in the most concise terms possible, the issues to be addressed, the factors to be considered, and the choices to be made in devising new and modified policies and programs related to the National Housing Act.

The most immediate decisions before us are obviously those associated with the amendment of the NHA in 1972 -- but as will be made clear below -- these do not constitute the only matters on which direction is ultimately required.

WHAT DO WE WANT THE GOVERNMENT TO ULTIMATELY COMMIT ITSELF TO?

For purposes of discussion, a position has been taken here on the ultimate list of items on which Cabinet-level and Parliamentary decisions may be appropriate.

Although each can be taken to different stages (i.e., a Phase I, a Phase II, etc.) and to different levels (from "in principle" to very specific) of commitment, they generally comprise the kinds of directions indicated by Ministerial and other comments to date:

(1) a number of specific changes in the National Housing Act, completed at an early enough date that programs can begin operation during 1972, e.g., by the end of May

(2) the provision of increased budgetary expenditure funds (that is, money that does not come back) under the NHA.

(3) a number of very specific targets and objectives in terms of improving certain programs, acting on individual crises situations, and building certain kinds of institutional arrangements

(4) a "strategic" approach to dealing with urban problems including the examination of potential Federal levers for improved use (e.g., economic pump-priming) and the employment of a "minimum common program" approach to a national urban policy

(5) the general outlines of an urban investment strategy for the decade to 1981 including the initiation of close examination of ways of reducing the costs of the present system and the creation of experimental approaches to guiding urban region dynamics

(6) the decade 1972-1981 as a time frame for planning -- i.e. a period within the political lifetime of most present leadership and within the scope of the present Government to effect

(7) a general mandate for CMHC organizational development and possibly a revised future role

(8) a social emphasis for all urban and regional development programs, which might be called a "community-building" emphasis

(9) the beginnings of a policy leading to growth decentralization and respect for the ecological parameters of any given geographic area

(10) a different view of the urban future of Canada -- or alternative views -- from the current "more of the same" and "alarmist" views, available for public discussion.

The specifics of these points are, of course, meant to raise issues and to sharpen the areas in which conflict remains.

The focus of this paper is on the first two items -- the changes in the Act, and the financial implications of these changes. But all of the other items come in for examination at various points throughout -- and conclusions about them have been drawn where they seem warranted.

In order to facilitate a rapid review of the contents by the reader, summaries have been provided at the beginning of each chapter which follows.

II. THE NATIONAL HOUSING ACT AND NATIONAL DEVELOPMENT

SUMMARY

This chapter is concerned with the relationship between the kinds of activitiy promoted via the NHA and the Central Mortgage and Housing Corporation and overall processes of national development. It has the following major points to make:

* the available empirical studies of housing and urban development stress the importance of the built environment to both economic and social development

* in the long run, urbanization processes can be expected to strongly affect national sovereignty, unity, and identity. At least three major concepts of Canada and how it should develop are rather widely held today. These have conflicting elements and may in fact lead to a "future nobody wants".

* in more immediate terms, the construction sector of the economy is an important generator of employment

* imaginative steps taken to advance the capabilities of the Federal Government to guide new development and to conserve existing residential environments can provide a means of focusing national development efforts. In effect, the greatest known task ahead of Canadians in the Seventies is the construction and improvement of livable communities.

THE BUILT ENVIRONMENT AND NATIONAL DEVELOPMENT

Recent weeks have brought home to Canadians the recognition that existing views of how the nation's development is to be managed are appropriate subjects for searching re-examination. Although the immediate crises posed by the U.S. economic policy decisions of August has perhaps passed, the heightened awareness of possible future vulnerability remains. The "easy ride" to technological advance, to economic growth, and to full employment if it ever existed, may now be subject to shifting international currents.

To the extent that Canadians can develop internal motors for economic, social, and cultural improvement, it is now more pressing than ever to do so. To the extent that they wish to

avoid the "American scenario" in domestic affairs, the time to make basic directional decisions has arrived -- at least if it is conceived as a "time" of two years or so to permit effective phasing and planning.

This document is an attempt to bring what may seem to be ex cathedra challenges -- as just outlined -- closer to the specifics --what development, what dollars, what organizations, what planning frameworks, what programs?

In his report Urban Canada: Problems and Prospects, Dr. N. H. Lithwick delineates the historical role of urban centres as the major sources of Canadian development -- a role which began with the earliest settlements and continues to the present day. Although urban centres can become depressed and stagnate as a result of international depression (as in the 1930's) in general they are the motors of societal change -- and also the generators of many problems. Rural "under-development" and disparities in regional incomes are attributable in part at least to the dominance of a few larger centres in Canada.

In short, if we are to accept the importance of economic development to overall national development -- especially in the industrial and post-industrial eras, the approach taken to the creation of Canadian communities is an essential aspect of a national development strategy.

CONCEPTS OF CANADA: THEIR IMPLICATIONS FOR URBANIZATION AND NATIONAL DEVELOPMENT

Even a cursory examination of statements by public figures, by university professors and by others given to political education and conceptualization yields the conclusion that there are a variety of underlying concepts of Canadian society extant today each with its adherents and opponents.

While it is difficult to identify such concepts in hard and fast terms as the products of an individual mind or as agreed upon platforms for action, it is possible to organize the various parts into wholes.

The chart on the following page suggests three major concepts of Canada -- all with important consequences for both national development and urbanization. Each emphasizes particular geographic areas, values, futures, interests, and desired end states.

THREE CONCEPTS OF CANADIAN SOCIETY

	TECHNETRONIC "Canada, a 21st Century state"	FRONTIER "Canada-the-New North"	ECOLOGICAL "Canada, a haven"
Geographic areas emphasized	Urban southern Ontario	The North, the West	P.E.I., smaller towns across Canada, the wilderness
Values emphasized	Efficiency Expertise Growth	Self-reliance, Mutual aid	Conservationism Communion of man and nature
Implicit future emphasized	Advanced, planned megalopolis, based on high technology industry	Developed hinterland, resource exploitation	Controlled development, slowed growth or "zero" growth rate
Interests Involved	Multi-national Corporations in manufacturing	Resource extractive industries White northern residents	Southern intelligentsia native peoples small town residents, young American immigrants
Urban future desired	Managed megalopolis	New growth	Decentralization of growth, control of growth of any one centre

There is another concept of Canadian society -- already noted above as the "American scenario" -- one which comprises the worst features of urbanization, ecological conditions, rural development, and national culture. This could be called the "urban future nobody wants" because few are advocating more pollution, crime, congestion, decay, or uncontrolled growth.

It must be recognized however, that the difficulties of American cities exaggerated though they may be in the minds of some, did not arrive as a result of active promotion either. They occurred because governments can have only limited effects on complex social systems -- particularly within a limited time. They occurred because powerful interests had a stake in particular patterns, development, organization and power distribution. They occurred because of the inherent costs and resource limitations associated with large-scale agglomerations. They occurred because many changes can occur almost unnoticed and because complex systems have tremendous "slack" and resilience.

It is the essence of the "hidden hand" theory of economics that the individual working in his own self-interest turns out to be working for the good of all as well. Modern events have now flipped this view on its head -- each individual (or firm) working in his (its) own self-interest comes to work to the detriment of all. This applies both in the case of individual actions which affect a large part of the collectivity (for example, with pollution overspill) and in the case of such actions which affect distinct other individuals.

This is the focus of our case for national development strategies and institutions related to urban change -- that without them, current institutional arrangements will not be able to cope with the burden of demands being placed on them.[1] We will arrive at an end state which was the product of many wills but which few would have anticipated or desired.

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1. See Chapter II of the Resource Document for indications of the order of magnitude of change.

THE CONSTRUCTION OF THE BUILT ENVIRONMENT AS A MOTOR OF DEVELOPMENT

In much more immediate terms, housing and the building of its community contexts have important effects on overall national development -- via the construction and maintenance sectors of the economy, and indirectly via the employment created in, for example, the consumer durables industry.

Residential construction alone is expected to account for 4.4% of the GNP in 1975 as shown in the table below. New housing investment expenditure forms an increasing proportion of all new public and private investment expenditures as illustrated in the chart on the next page.

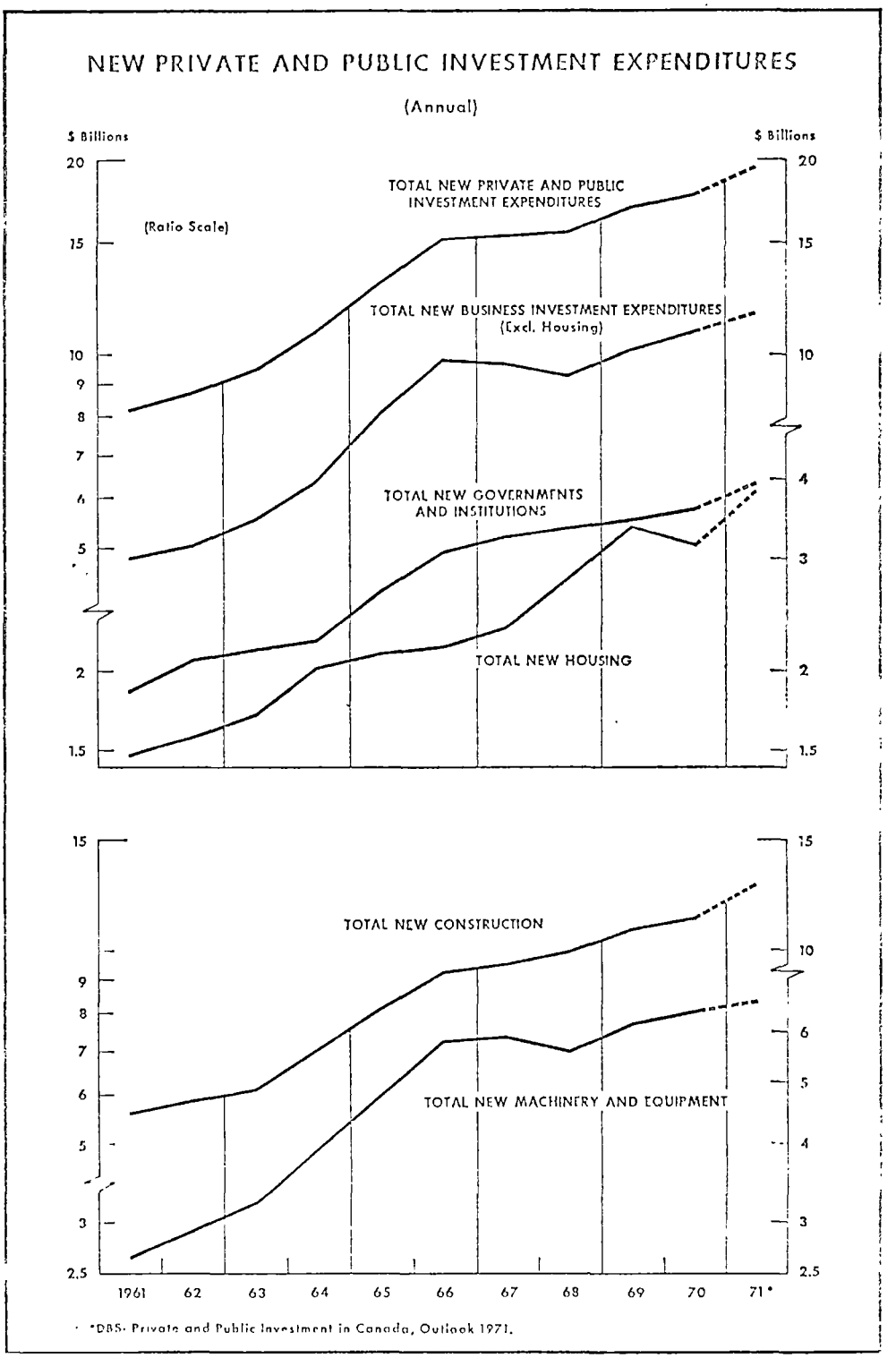
TABLE 1 -DEMAND COMPONENTS AS PERCENTAGE OF GROSS NATIONAL PRODUCT

	1949	1956	1961	1967	At Potential in 1975
Consumer expenditure	66.8	62.0	64.3	59.4	56.6
Government expenditure on goods and services	13.4	17.8	20.5	21.2	24.2
Current expenditure	*10.6*	*14.1*	*16.2*	*16.6*	*19.1*
Gross fixed investment	*2.8*	*3.7*	*4.3*	*4.6*	*5.1*
Business gross fixed investment	18.3	21.9	17.0	19.0	19.5
New residential construction	*4.9*	*5.8*	*4.6*	*4.3*	*4.4*
Business plant and equipment	*13.4*	*16.0*	*12.4*	*14.7*	*15.1*
Non-residential construction	(5.7)	(8.2)	(6.5)	(6.8)	(6.7)
Machinery and equipment	(7.7)	(7.8)	(5.9)	(7.9)	(8.4)
Value of physical change in inventories	0.5	3.1	0.3	0.6	1.0
Balance on exports and imports of goods and services	0.9	− 4.2	−2.1	− 0.9	− 1.3
Residual error of estimate	0.1	− 0.6	—	0.6	—
Gross National Expenditure	100.0	100.0	100.0	100.0	100.0

SOURCE: Based on data from Dominion Bureau of Statistics and estimates by Economic Council of Canada.

Construction is a highly labour intensive activity as indicated by the charts on Components of Real Output Growth and Capital Stock per person employed. (page 29)
On the other hand, most studies of the industry's future, particularly in the residential field suggest a potential for extensive new product and new capital equipment development. It is possible that research and development into the technology and organization of community-building will have comparably greater returns than activity directed elsewhere.

TABLE 2


NEW PRIVATE AND PUBLIC INVESTMENT EXPENDITURES
(Annual)
$ Billions
$ Billions
(Ratio Scale)
TOTAL NEW PRIVATE AND PUBLIC INVESTMENT EXPENDITURES
TOTAL NEW BUSINESS INVESTMENT EXPENDITURES (Excl. Housing)
TOTAL NEW GOVERNMENTS AND INSTITUTIONS
TOTAL NEW HOUSING
TOTAL NEW CONSTRUCTION
TOTAL NEW MACHINERY AND EQUIPMENT
20
15
10
9
8
7
6
5
4
3
2
1.5
2.5
1961
62
63
64
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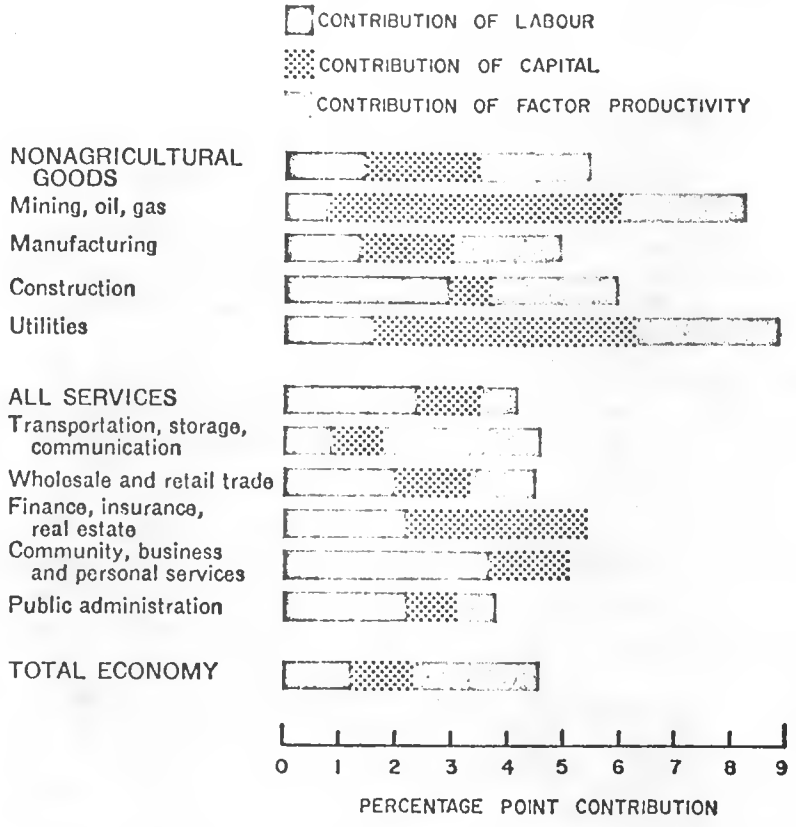
71*
*DBS- Private and Public Investment in Canada, Outlook 1971.

TABLE 3

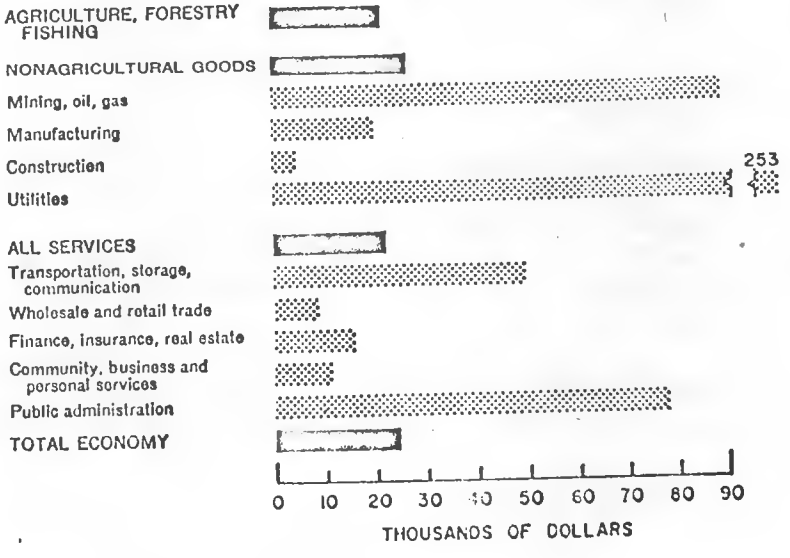
COMPONENTS OF REAL OUTPUT GROWTH, 1946-67



Source: Based on data from Dominion Bureau of Statistics and estimates by Economic Council of Canada.

TABLE 4

CAPITAL STOCK PER EMPLOYED PERSON, 1967



Note: Excludes residential capital stock.
Source: Based on data from Dominion Bureau of Statistics.

Canada with its more tractable and manageable, and perhaps now politically visible community problems, may have a potential for leading the way in this area.

The policy proposals now before the Minister for decision have substantial implications for the immediate questions of national development. Specifically:

* the rehabilitation proposals will result in the creation of an entire new industry and in the development of new employment skills, technological improvements, and professional talents accordingly

* the proposals to assist in the improvement of urban management, manpower training, information systems, and planning can result in the creation both of new jobs which did not previously exist and of additional positions along present lines. In effect, the emphasis of current proposals on building institutional arrangements (as elaborated in the next chapter) will involve the devotion of substantially more resources to employment of community benefit. The effort is to prepare people now for careers of the future.

* the housing proposals -- particularly those for subsidizing home ownership, will create additional employment and economic activity locationally even if no funds beyond those already allocated are provided. This is the result both of the increased Federal capacity to respond to presently ineffective demand by virtue of the new programs -- i.e., to go where no housing would have been provided before, and of the increased provincial capacity to employ the programs.

THE TASK OF "COMMUNITY-BUILDING"

To conclude what we have said in this chapter then, if we place housing and services to it in a global "community-building" context -- covering settlements of varying sizes from small to metropolitan -- they can be powerful tools for national development. In order to make this kind of proposition work however, we need to:

* consciously consider the costs of the "American scenario" and the contradictions in our presently conflicting views of Canada

* recognize the immediately beneficial effects of community-building investment not just for "jobs" per se but for long-term employment creation

* develop national strategies for community-building including investment plans, institution-building plans, and leveraged programs.

III. THE URBAN CONTEXT: PLANNING AND ACTION

SUMMARY

In this chapter, we are concerned to move from the rather general discussion of built environment problems as they relate to national development into a more focused attack on the questions at hand. Specifically:

* some of the most critical problem areas of the decade are identified -- all of which point to a series of crises for present institutions

* the longer term possibilities leading to the end of the century are briefly noted

* the question of "urban guidance" in the face of problems, uncertainties and possibilities is addressed. A phased approach to increased intergovernmental control over current dynamics is envisaged, based on a "minimum common program" of which current proposals form the starting point

* in the most immediate terms, a review of the intergovernmental issues related to the proposals.

CRITICAL PROBLEMS OF THE DECADE

A variety of recent studies, governmental and non-governmental, ranging from the Task Force on the Cost of Health Services to the Hall-Dennis Report on Education, have noted the problems associated with developing institutions adequate to the tasks posed by an urban Canada. If one major conclusion can be drawn from the review of "critical problem areas" on the next page, it is that, while we may avoid severe physical, economic, and ecological dislocations during the 1970's, the stresses on governments at all levels just in order to "cope" are, and are going to be, severe.

URBAN CANADA: 1971-1981
SOME CRITICAL PROBLEM AREAS

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* The relevance and responsiveness of municipal organization

* Land and Housing costs

* Relationship between labour force and employment positions

* Development of rural areas and the national "hinterland"

* Modes of in-city urban transport

* Health services cost and quality particularly for lower income groups

* Native people migration and adjustment to city life

* Welfare costs related to hard core urban poverty, rural migrants, and employment structure

* Public safety (police and fire) costs

* Educational costs related to quality of service and expectations of public

* Environmental pollution

* Resource and investment supply and allocation among levels of governments

* Leisure services

* Endemic drug addiction and related theft

THE CUMULATIVE RESULTS OF ACTION AND INACTION

As implied above in Chapter II, the longer term effects of current government actions and failures to act may be quite different from any current desire or will. In fact the characteristics of the country at the end of the century may range along the following lines:

1. an authoritarian society of enforced homogeneity to a spontaneous, diverse society;

2. a built environment in a "megalopolis" form to a decentralized network of communities;

3. a society of unconstrained economic growth or of socially directed growth;

4. governments which react to problems to those which anticipate them;

5. governments which support private investment to those which control it;

6. governments which are in the grip of high-cost urban systems to those which actively develop alternatives

7. governments which leave current local government finances alone to those which restructure its fiscal base;

8. a Federal Government which acts unilaterally to one which acts on the basis of intergovernmental consensus.

THE NEW DIMENSIONS OF A FEDERAL "URBAN" ROLE

During the past year and a half, the Minister of State for Urban Affairs, in a number of public addresses, and in a variety of contexts, has stated and elaborated on the concept of an "Urban Policy for Canada" -- a national consensus about the future of our cities as a basis for planning that future.

In selecting directions for legislation and budget, the Government may be stating for the first time in a concrete programmatic fashion what values and objectives it intends to support, and what kind of Federal urban role is envisaged. This is one of the alternatives open at the present time. There are two others:

* to hold all action on NHA amendment until a generally agreed upon framework for urban policy has been established, either through tri-level consultation or otherwise, and to adopt accordingly a "marking time" budget,

* to announce discrete programs with associated budgets separated from but possibly consistent with an overall direction.

Either of the latter choices would be a difficult one -- the first because of mounting pressures for action, the possible dependency of the framework itself on action, and the second, because it would cast doubt on the seriousness of the whole effort to discuss the urban future and to co-ordinate Federal activity in line with such.

If the most feasible choice is one of giving leadership and attempting to define, no matter how tentatively, a new Federal role, what does such a choice entail?

This chapter seeks to advance, as a basis for debate and further elaboration, a form of institutional "framework" for policy which can be utilized to suggest the outlines of an evolving Federal approach to urban problems.

The framework, as presently conceived, has the following elements:

(1) a view of how we can best deal with the inevitable uncertainties associated with taking action which will have its major effects at some future time, and with the more soluble problems of information gaps and lack of historical knowledge

(2) a view of how we can take into account the natural limitations of government as an instrument of will, how we can avoid the widespread assumption generated by the welfare state and the "R & D" approach to complex questions that government can "solve" most problems. (The latter view seems to be as much a conventional wisdom of scientists as of the man in the street.)

(3) a view of how the rationale for <u>any</u> Federal role has changed as a result of the way society has changed -- particularly in regard to urban intervention

(4) a view, resulting from the previous conception, of the ways in which the Federal role will change, and of the instruments which will characterize its activities at successive times over the decade.

In more direct terms, we are attempting to present a framework:

(1) which allows us to act in a situation of imperfect knowledge, to systematically deal with uncertainty

(2) which recognizes the limited effects government action -- even planned, concerted government action -- can have on as vast and complex a system as the urban system, and which accordingly provides for most effective use of those limited effects

(3) which regards <u>governmental organizations</u> and roles as being integral parts of a framework for action -- along with concepts, problem definitions, and objectives, and therefore seeks to explore the possibilities of those roles and organizations

(4) which is based on a comprehension of the most critical problems to receive attention and the sequence in which they should receive attention

(5) which seeks to emphasize a strategic concept of governmental action -- directed to key influence points[1] (or "leverage" points) not to the exclusion of other "regular" activities, but as a supplement to them.

The assumptions on which the kind of framework outlined rests include:

* in the housing and community-building field we need immediate action and an overall rationale simultaneously

* an overall rationale and set of objectives, given the diversity of interests and perceptions involved, can now and in the foreseeable future consist only of a "minimum common program" i.e., what can be agreed upon by major actors concerned, not of a general plan

* actions by governments are generally constrained by the possibilities for and consequences of errors in judgement. Comprehensive planning with effects on the main determinants of urbanization is thus largely ruled out for the foreseeable future at least until the possibilities for error have been reduced

* because of the limited talent, skills, resources, and will, at all levels of government, a socio-political "staging" of increased control over urban forces is needed

* an inherent aspect of the recognition that governments can have only limited effects on the basic direction of society is that governments themselves are subject to the prevailing value systems and contradictions of a society even more than other sectors are

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[1] "Influence points" is the term employed by Jay W. Forrester to denote sensitive points in social systems "where pressure will chante the system". The Futurist, (August, 1971) p.153.

* the institutions of governments need to be reshaped as well as the programs they provide. In fact, as suggested in Chapter IV, the primary crisis of urban change in Canada seems to be that present institutional arrangements are no longer capable of bearing the weight of demands being placed on them, of people's expectations.

In the most concise terms, we are speaking of a policy framework which seeks to work within the inherent limits and "search" the possibilities of government planning and action. Perhaps this viewpoint has been best expressed by Aaron Wildavsky in a recent Public Interest article.

> " ... planning is a social process. Control of the future in significant ways requires the mobilization of knowledge, power, and resources throughout a society. It does no good to propose measures that require non-existent information, missing resources, and unobtainable agreement. The planner cannot create, at the moment he needs them, the things his society does not possess. He can, however, assume them to be true in the artificial world he creates in the plan. But planning is not a policy. It is presumably a way of creating policies and relating them to one another over time so as to achieve desired objectives."[1].

To this point, we have outlined in rather general terms, the kind of approach which has been taken to the problem of a "framework" for NHA legislative and budget policy. In effect, we have said that we have a very complex operating environment and the opportunity to move toward the conscious influence on that environment and to change the Federal role and programs as a result. The alternative is to be borne along by it.

In the remainder of the chapter, we will examine how the Federal urban role and the rationale for such a role have altered, actually and potentially over the recent past.

We will then proceed to the identification of which key problems the government might most usefully tackle during

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1. "Does Planning work?", The Public Interest, (No. 24, Summer, 1971), p. 104.

the period between now and 1980 and how the institutions of government might evolve in the process or addressing those problems.

THE CHANGING RATIONALE FOR FEDERAL INVOLVEMENT IN COMMUNITY-BUILDING

Immediately following the Second World War, a strong Federal role in most aspects of life was an integral part of the Canadian scene. This was the case not only because of momentum built up during the regime of wartime controls and initiatives, but also because of the need for "reconstruction" following the hiatus of the Depression-War period.

It was possible at that time for the highly regarded Curtis Report to recommend that a Dominion Town Planning Agency be established to promote and coordinate town planning throughout the country.[1]

The "Urban Affairs Study" indicated in general terms the breadth and depth of current Federal involvement in shaping the patterns and processes of urban centres.[2] It is an involvement based on a wide variety of constitutional rationales -- including the "spending power", the Federal responsibility for the economy, the Federal responsibility for research in the national interest, and the accumulation of Federal roles occasioned by the emergence of new technological developments -- the airplane, electronic communications, etc.

From all of these activities, we can draw several conclusions about actual and potential Federal roles in the community-building field:

* the Federal government clearly continues to have a viable direct involvement in the problems of urban centres via the "spending power" to the extent that the absence of funds or the judicious use of extra

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1. Advisory Committee on Reconstruction, Volume IV, Housing and Community Planning (Ottawa, 1946), p. 16.

2. See also Volume 6, Urban Assistance Study

funds are "the problem"

* on matters of multi-national concern -- technology, private corporate decision-making, immigration, the Federal role is a paramount one -- it can shape, if it chooses, most of the important "macro-determinants" of urban problems and values

* although Federal control over the economy is entrenched and far-reaching, recent events make it clear that this is a severely constrained role, buffetted by the actions of both external and internal governments

In view of the expressed desire of several major provinces to remove themselves from shared cost programs, the "spending power" via the shared cost routes to housing and community-building and, therefore, local administrative involvement, will probably be increasingly curtailed over the decade.

The other kinds of roles will continue if the nation survives as an entity, but it is essential that a new, forward-looking face be put on them.

For example:

* the Federal role in providing support for community planning, housing, and infrastructure needs increasingly to be seen as a "leading edge" support, in line with the R & D power

* an emerging Federal role, to be extensively dealt with in the next chapter, which can only be played at such a level, is social capital investment planning for the long term (although most critical investments are actually made by provinces and municipalities)

* Federal "control" over macro-determinants of urban development means little if, in fact, the amount of use actually made of this is limited to simple responses -- e.g., pump-priming, population market-seeking, etc., of the type already mentioned above.

What is needed is a set of directions or priorities.

STRATEGIC OBJECTIVES FOR THE SEVENTIES: INSTITUTION-BUILDING

We are thus concerned with the creation of a basis for strategic planning -- to deal effectively with the key elements of the future environment which can and should be changed if general improvement is to result, if all, some, or any, of the kinds of needs emerging are to be met.

Based on the synthesis of a variety of reports and viewpoints presented, the following kinds of needs or problems seem to be the most important as a basis for strategic planning to improve institutional capabilities in the 1970's:

* the crises of governmental responsiveness and capacity to cope with mounting problems outlined already

* the problem of change in individual urban centres and regions which is giving rise to pressures on governmental capability. Some of this problem of change is occasioned by the high social and economic cost of current urban technologies and ways of doing things, e.g., redevelopment processes.

* the problem of guidance over overall dynamics of urban growth and decline, stressed in the "Urban Affairs Study". This, in turn, feeds back on local change pressures and governmental capacity and responsiveness. It becomes, in addition, a problem of urban values -- because the daily realities and pressures of urban living strongly affect the expectations and personalities of the inhabitants of cities.

We can, however, turn each of these problems into a strategic objective, which can be pursued through pressure on selected, multiple influence points for institutional change.

Stated as objectives, they become:

* to promote governmental innovation at the local level to increase the level and effectiveness of urban democracy, to develop the capacities of urban institutions

* to promote a shift away from current patterns and processes of urban centre development and decline which are proving highly costly and to create alternative technologies, processes, and systems to those of the present

* to increase national control over the macro-determinants of urbanization and to guide the values associated with an improved urban environment.

Viewed this way, we can see that:

(1) each successive level of objectives requires increasing amounts of information since it potentially affects an increasingly irreversible type of decision, i.e., we can change local institutions and fail "safely" but a national attempt to say, direct population growth, has much more serious consequences

(2) each set of objectives forms a kind of prerequisite to the next

(3) a wide range of presently isolated programs start to fall into place in such a context:

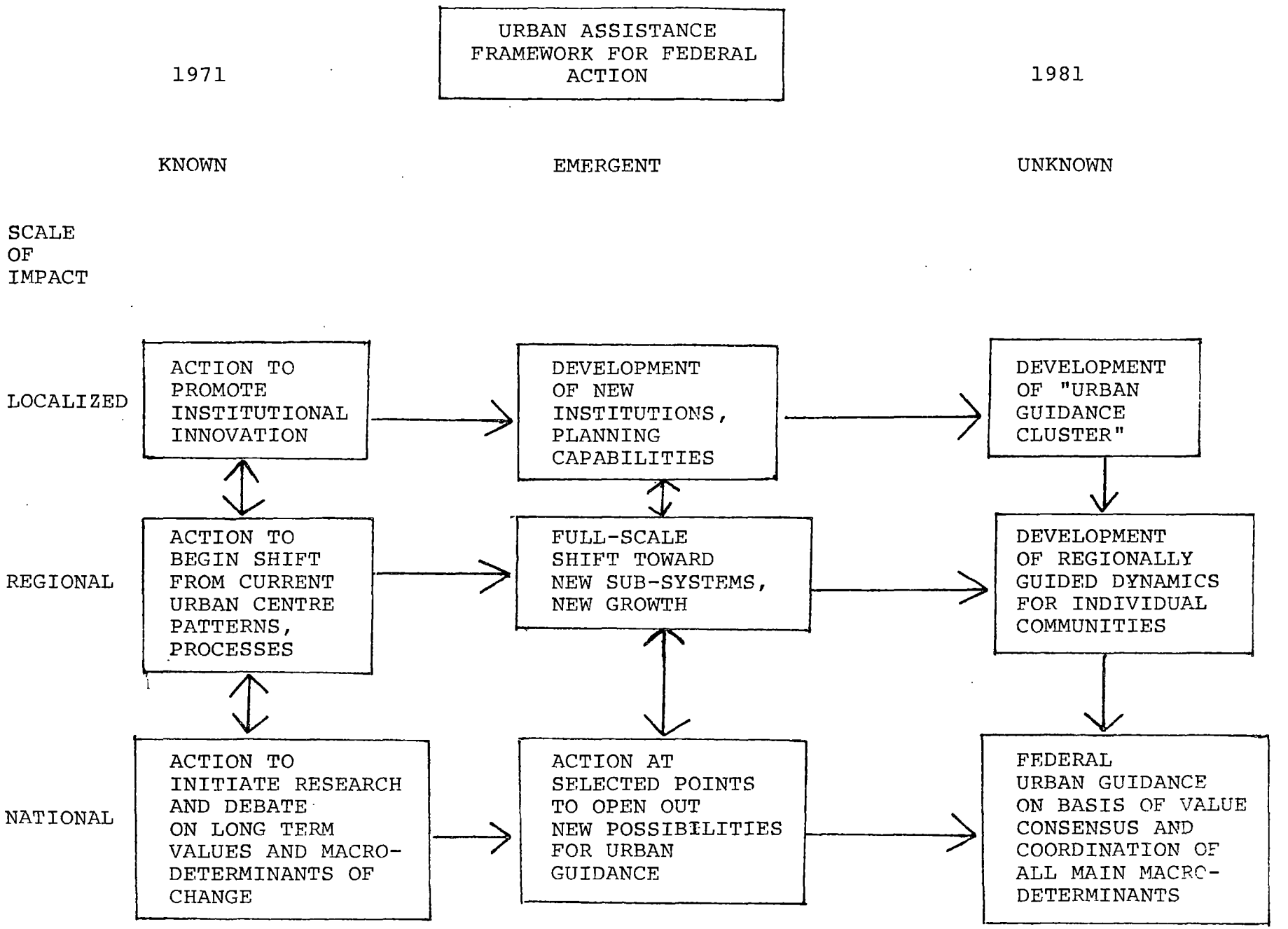
    (a) efforts to promote municipal information systems, management training and citizen participation all relate to the first

    (b) efforts directed to development of new communities to shifting away from automobile transport and gravity-feed sewers relate to the second

    (c) efforts directed to controlling economic growth, population distribution and national transport modes relate to the third

(4) each is successively less amenable to fairly immediate change because of the way current investment and commitments have been made.

If we interrelate all of these, over a ten-year time-frame, we have the kind of action framework illustrated in the diagram on the next page.


URBAN ASSISTANCE FRAMEWORK FOR FEDERAL ACTION
1971
1981
KNOWN
EMERGENT
UNKNOWN
SCALE OF IMPACT
LOCALIZED
REGIONAL
NATIONAL
ACTION TO PROMOTE INSTITUTIONAL INNOVATION
DEVELOPMENT OF NEW INSTITUTIONS, PLANNING CAPABILITIES
DEVELOPMENT OF "URBAN GUIDANCE CLUSTER"
ACTION TO BEGIN SHIFT FROM CURRENT URBAN CENTRE PATTERNS, PROCESSES
FULL-SCALE SHIFT TOWARD NEW SUB-SYSTEMS, NEW GROWTH
DEVELOPMENT OF REGIONALLY GUIDED DYNAMICS FOR INDIVIDUAL COMMUNITIES
ACTION TO INITIATE RESEARCH AND DEBATE ON LONG TERM VALUES AND MACRO-DETERMINANTS OF CHANGE
ACTION AT SELECTED POINTS TO OPEN OUT NEW POSSIBILITIES FOR URBAN GUIDANCE
FEDERAL URBAN GUIDANCE ON BASIS OF VALUE CONSENSUS AND COORDINATION OF ALL MAIN MACRO-DETERMINANTS

This "framework for Federal action" is based on the assumption that the long-term objective of an urban policy for Canada is to create a multi-level system for "urban guidance". By "urban guidance" it is meant that:

* the programs which can apply leverage to promote urban change are under effective control rather than being relatively diffused and marginal as at present

* the situation of urban centres is such that, while all problems may not be resolved--more in fact may exist--none have been allowed to move into totally irreversible patterns of either megalopolitan growth or disorderly decline. The scope for conscious change and the tools to shape that change both exist and have been strengthened

* the concept of what community and urban governments are about has sufficiently altered that both repressive and "housekeeping" ideologies have been dispensed with. (As the recent Vancouver situation illustrates, the two can go hand in hand). That is, we are talking about urban guidance rather than urban occupation or urban maintenance. A variety of repositories of authority and expertise are recognized as legitimate, from the individual inhabitant up, rather than from the official down

* in line with such a concept, the participation of formally constituted governments in urban guidance is predicated not on their constitutional powers narrowly defined, but on their capacity to contribute to problem resolution, in the problem's terms. A sufficient consensus has been reached that initiative rather than protective actions tend to be rewarded

MAJOR ISSUES RAISED BY CURRENT PROPOSALS

In more immediate terms, the kinds of issues identified in the charts on pages 24 and 25 face the Minister and Management in their negotiations with the provinces regarding the amendments to the National Housing Act. The way they are stated they form in fact a cross-section of the continuing questions to be resolved.

A COMPILATION OF MAJOR INTERGOVERNMENTAL ISSUES RELATED TO NHA AMENDMENT

	ISSUES		SPECIFIC SUB-ISSUES
1.	Rationale for Federal Involvement	a.	conditionality of programs especially urban assistance
		b.	use of spending power and conflict with provincial municipal priorities
2.	Federal Role	a.	program delivery and detailed administration
		b.	degree of public acceptance of high profile Federal position in urban affairs and housing
		c.	evolving Federal role and rationale
3.	Federal Investment Strategy	a.	leverage effectiveness of different programs in securing sound investment
		b.	effects on provincial and municipal finances
		c.	relative contribution toward creation of a long term social investment approach
4.	Coordination of NHA Programs with other Federal resources	a.	relationship of inter-departmental and inter-governmental consultations e.g. re DREE
		b.	tie-in of Federal operating contribution with NHA capital cost support
		c.	long term Federal urban resource approach

5.	Program Delivery	a.	transfer of NHA funds to provinces and municipalities
		b.	degree of discretion allowed at each stage
		c.	provincial and municipal enabling legislation
		d.	contractual arrangements for CMHC delivery in some provinces
6.	Urban Region Planning	a.	degree to which this provides context for NHA program delivery and differences in provisions
		b.	mechanisms for Federal involvement in regional decision making
		c.	long term approaches to use of Federal programs as leverage measures in urban region "guidance"
7.	Urban Region Data Base	a.	use of Federal data to improve other levels of government capability to use programs
		b.	building up an intergovernmental, open access data base
		c.	building up consultation around data base

IV. THE ALLOCATION OF RESOURCES

SUMMARY

Having discussed the institutional context in which future investment decisions may be made, we turn here to the problem of allocating governmental resources to housing and more generally to community building.

The specific points covered include:

* a discussion of various investment concepts leading up to the notion of a Federal investment strategy

* the current pattern of housing investment in Canada and the forecast capital available over the decade

* the key investment issue at stake with the present proposals -- whether Federal housing is a "social" or an "economic" tool

* the steps to be taken toward a national housing strategy, including the priority groups to receive NHA programs

* the rationale for the immediate implications of all the proposals being made -- increased budgetary expenditure under the NHA.

INTRODUCTION

Investment concepts -- especially means of establishing priorities and yardsticks of success -- are not nearly so well developed for public agencies as they are for private ones. It would seem that as far as setting priorities is concerned, the size of previous budget, the employment situation (related to investment dollars per job ratio), and the relative "clout" of the agency involved are among the most important determining factors. Certainly conscious attempts to weigh alternatives on a rationalist basis are rather recent.

The private yardstick of investment success is the comparatively simple one of rate of return, particularly vis-à-vis the "competition". Despite the numerous attempts at cost/benefit analysis of public investment projects, we must conclude that complete and precise measures will never exist, just as it is impossible to simultaneously measure a wave and a particle in physics. The greatest overall indicator of public investment success, and the one of greatest relevance to urban growth as noted in the "Urban Affairs Study", is the adequate servicing of industrialization with resultant economic "progress".

The diagram on the next page suggests the following approach to deciding among different investment alternatives on a long-term basis:

* each major sub-system of the total urban "system" (and indeed the system as a whole) is conceived as having a cumulatively rising cost curve, as the available information on education, health, road construction, land, and other costs indicates

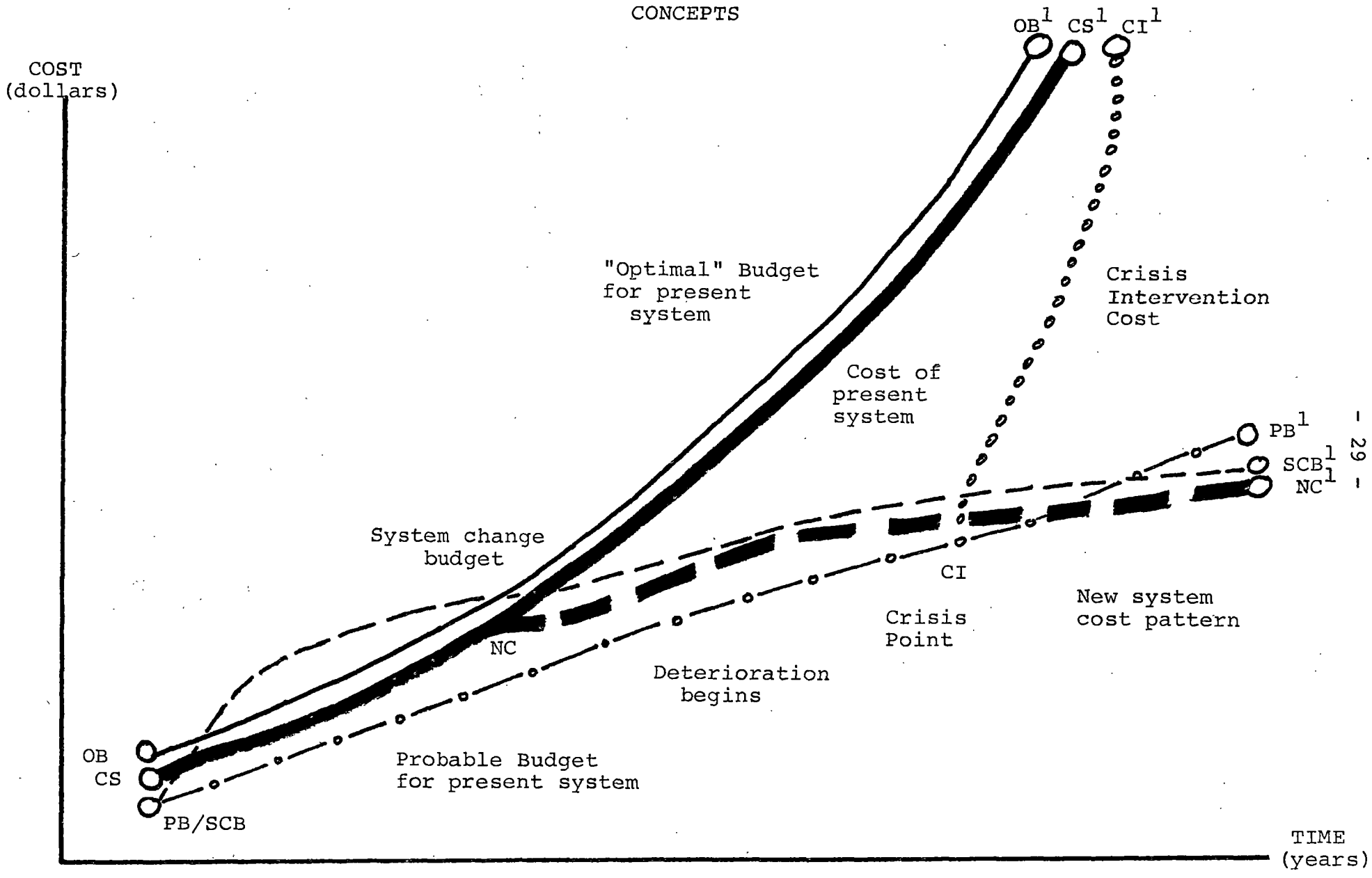
* the "optimal budget" to meet these costs would clearly be one which either increased at exactly the same rate as the costs themselves -- or ahead of the costs to cover improvements beyond those associated with simple quantitative augmentation

* but the traditional and inescapable nature of budget-making in the face of scarce resources leads to a growth curve more along the lines of a relatively uniform annual increment -- especially when the increase is expressed in constant dollars. Actual decreases are more common in the case of capital investment than they are in the case of, for example, transfer payments and programs designed to maintain a particular standard of "soft" services, because of the more elastic nature of investment outlays. (The old plant can be made to hold on a while longer -- in the American case this applies to entire core cities.) Both are interrelated in one system, however.

* If the inherent system costs continue over a period of time to be unmet (as was the case in many Canadian municipalities during the Depression and World War II), deterioration will begin. This may carry on until a breakdown occurs and a very costly <u>crisis intervention</u> is needed to regain a situation approximating the true investment requirements of the system. (This would be required, for example, if Lake Erie's eutrophication were to be halted and its ecological balance righted. The present industrial production system -- one not generally geared to recycling -- would need massive in-plant or municipal treatment facilities.)

* the essence of an investment strategy -- as contrasted with straight "meet all system costs" or "5% a year" approaches must essentially boil down to a promise that it can deliver more for less or more for the same.

BASIC INVESTMENT STRATEGY
CONCEPTS



* this is where individual investment and indeed general budgetary choices mesh with urban change strategy -- in the selection of actions which while conceivably more costly in the short run are resource-conserving in the long run. Funds poured into a congenitally resource consuming system, e.g., the private automobile urban transport system, without simultaneous development of alternatives, can only continue to produce deterioration either in themselves or in other systems stripped of resources to maintain them.

With this groundwork covered, we can proceed to the creation of an overall framework for Federal investment in housing and urban development (or if rural areas and small towns are included, "community-building")

As diagrammed on the next page, this framework has these characteristics:

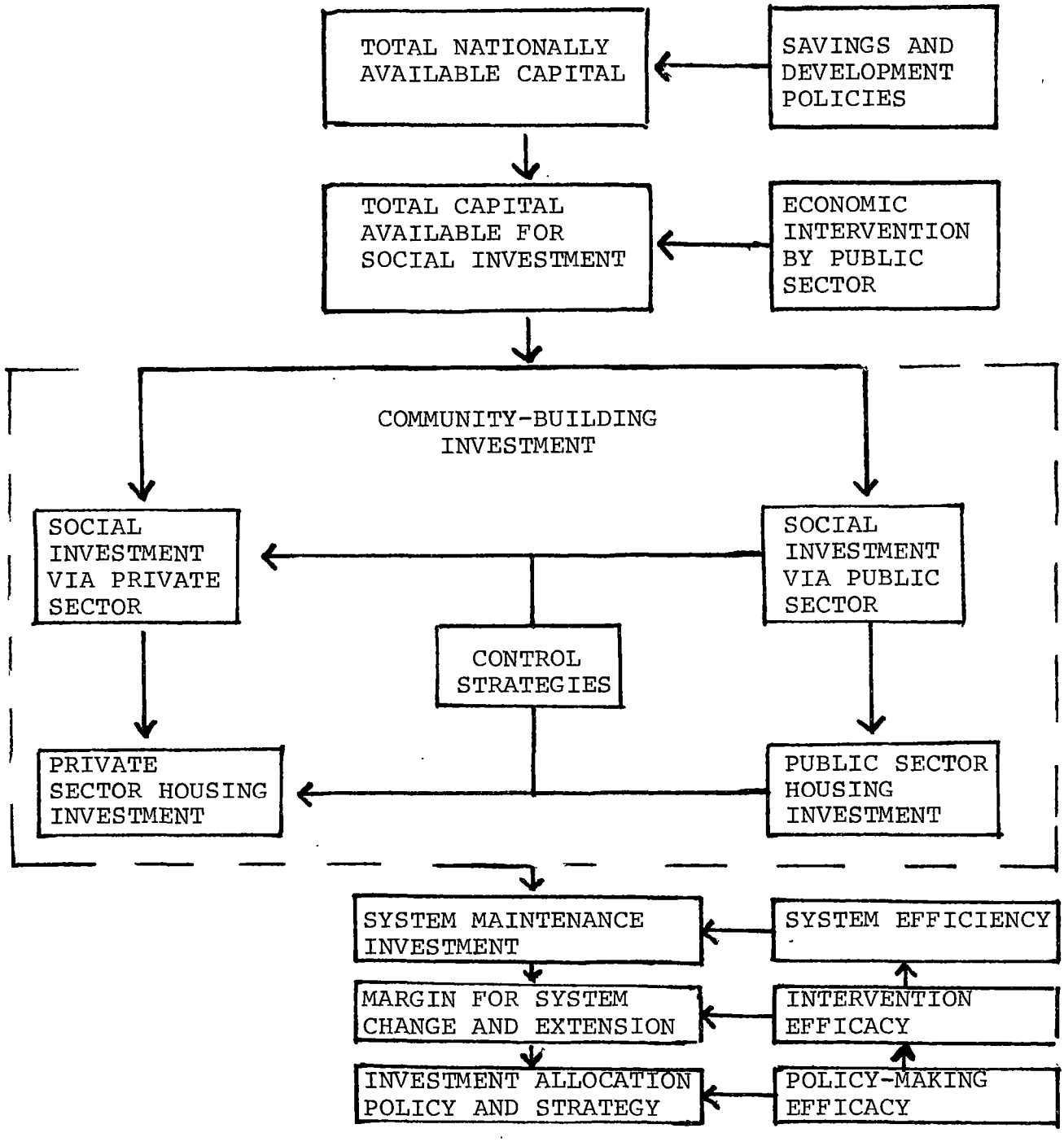
(1) the outside boundaries of community-building investment are set by the total capital available, public and private, at the national level. This amount is influenced directly to some extent by the savings and development policies of the various governments as well as indirectly by the policies of the major pools of private investment

(2) within this amount and competing for priority with business capital is the total capital available for social investment. This is clearly dependent up to a point on the extent to which the public sector intervenes via taxation, nationalization, etc., to influence the nation's priorities. But even in countries where all capital is "social" in the sense of being within the public domain, the <u>functions</u> included in social capital here -- schools, housing, waterworks, hospitals -- must compete for a slice of the total.

(3) if we add to this total intra-community investment in utilities and remove from it items which are not essential elements of all community complexes (e.g., universities), we have the amount available for "community-building investment", public and private. Because of the limitations of the presently available data, it has not been possible to do so for this paper.

(4) within the total community investment available to both sectors (and subject to public control strategies such as loan insurance, establishment of interest rates, etc.) is housing investment.

A FRAMEWORK FOR FEDERAL HOUSING
AND URBAN INVESTMENT VIA CMHC



(5) all of community-building investment can be seen to break down into that which can be provided for system maintenance and added to this, that margin provided for change and extension

(6) this leads to the need for an investment allocation policy -- that is what substantive goals are to be chosen: housing for low income people, universal sewage treatment, etc., and an investment allocation strategy -- how these goals are to be attained, via what levers.

Affecting each of the three levels of investment activity just mentioned are three levels of "strategic objectives", three ways of improving the overall community-building investment plans, and the programs through which these are carried out. In effect, they are a sequence of questions which can be asked prior to the adoption of policy objectives and a series of hypotheses about the way complex systems work to be tested and elaborated with concrete experience. (p.33)

It should be noted that while the objectives have been stated in order of overall scope and importance, each feeds into the one above it as indicated in the diagram. We cannot improve efficiency at the system level without increasing intervention efficacy and this in turn cannot be achieved without the improvement of policy-making itself.

Two major assumptions of what we have outlined here should be made crystal clear:

* by using the term "investment" in reference to CMHC lending operations under the National Housing Act, we have substantially shifted the perspective currently applied to them. Even though the funds come back with interest and are thus not capital expenditure in the traditional sense, they are, as Department of Finance officials are increasingly aware, a claim on the borrowing capacity of the government and on the capital resources of the nation at a given moment. Furthermore, because of equity requirements, large lending to other governments, and most important, the necessity for additional capital investment (primarily at the municipal level) generated by NHA funds, they can validly be treated as investment in the nation's economic and social well-being.

STRATEGIC OBJECTIVES FOR FEDERAL INVESTMENT IN COMMUNITY-BUILDING, 1971-1981

OBJECTIVE 1: INCREASING SYSTEM EFFICIENCY

* By shifting away from inherently costly systems
* By overcoming lags between service organization and technological potential, eg. for decentralization
* By controlling growth
* By promoting social equity and personal security
* By promoting open communication on system operation and effects

OBJECTIVE 2: INCREASING INTERVENTION EFFICACY

* By broadening the range of available program tools and funding arrangements
* By developing delivery capability in currently underserviced areas
* By grouping programs around common strategies
* By focussing programs on given targets of feasible magnitude
* By improving rewards for local opportunity-taking
* By applying leverage at selective points in the system

OBJECTIVE 3: INCREASING POLICY-MAKING EFFICACY

* By improving the quality of information created as part of system operation and used as a basis for future decisions
* By encouraging development of policy analysis capabilities as part of the investment process
* By creating information on the opportunity costs of current system patterns and the potential of alternatives
* By rewarding future-oriented investment plans
* By advancing the state-of-the-art in policy methodology as it related to community-building investment

* although the term "efficiency" has been used for want of a better synonym, system efficiency is quite a different thing from program or activity efficiency. Some critics of current policy-making processes have suggested that governments may tend to do the wrong things very well. System efficiency refers to the quality of the total products and effects of a system. A system which works to the detriment of its surrounding environment, e.g., the unchecked industrial production system, is inefficient at any level above that of the individual activity in isolation.

In order to provide a set of quantitative indicators of the magnitudes subject to investment decisions now and in the planable future, a series of projections from available capital expenditure data have been made. These are presented in the table below and (in more detail) in the Resource Document.

PROJECTIONS OF MAJOR COMPONENTS OF NATIONAL INVESTMENT: 1970-1980 ($ Millions)

COMPONENT	1970	1975	1981	TOTAL 1972-1981
TOTAL PUBLIC AND PRIVATE CAPITAL & REPAIR EXPENDITURES	23,101	30,224	38,355	322,569
TOTAL PUBLIC AND PRIVATE CAPITAL INVESTMENT	17,640	23,373	29,837	249,894
SOCIAL CAPITAL	6,770	8,868	11,205	94,526
HOUSING CAPITAL	3,077	4,095	5,233	43,795
HOUSING REPAIR	858	1,065	1,320	11,289
TOTAL HOUSING CAPITAL AND REPAIR	3,935	5,160	6,553	55,084
FEDERAL GOVERNMENT CAPITAL AND REPAIR	1,483	2,025	2,624	21,749
PROVINCIAL GOVERNMENTS CAPITAL AND REPAIR	3,207	4,405	5,702	47,290
MUNICIPAL GOVERNMENTS CAPITAL AND REPAIR	1,888	2,475	3,078	26,255

HOUSING AS AN INSTRUMENT OF SOCIAL POLICY

There is a need to consider the real priorities that the Federal Government has in the housing field and in the infrastructure field, and to raise fundamental issues regarding the relationship between "economic policy" and "social policy." There is also a need in current circumstances to review the case for changing the values which have guided the Government for so long in resolving these issues. For example:

* How does the "ideal" economic policy distribution of housing activity differ from that which would be considered most viable from a social policy standpoint?

* How do long-term economic and social goals conflict with regard to housing production and conservation?

* To what degree should the Federal Government see housing as having primarily social objectives?

* What is the Federal Government to do about long-term planning for housing and for social capital investment generally?

The present paper cannot examine all of these questions exhaustively. It can make and elaborate briefly on the following points, however:

* from a short-term "pump-priming" standpoint, the ideal distribution of activity to improve the nation's housing stock is quite different from that distribution which may most effectively meet social and cultural needs

* we do have social problems in this country which are <u>housing</u> problems in addition to being income or political or social services problems

* in setting short-term economic policy goals -- and using housing funds to achieve them, the Federal Government may also be damaging the effectiveness of longer-term economic goals to the extent that these are served by the provisions of an increasingly good housing stock

* in cutting back on housing expenditure at the present time, the Government may well curtail and dampen some very important policy changes under way using the margins of the present funds. It is the margin for change that is of primary concern, not the main bulk of the funds

* in order to achieve both economic and social long-term objectives in the housing field, the Federal Government needs a plan for overall social capital supply and investment. And it needs some operational objectives in regard to the hard-core housing problems we face in Canada.

A look at the kind of housing produced under Section 58 of the National Housing Act provides some indication of the effects of using housing funds solely to promote increased economic activity. If one could draw a picture of the ideal pump-priming distribution of housing activity, it would probably lool like this:

* it would be composed of new units

* these would be directed to wage-earners with incomes of $10,000 - $20,000 per year

* they would be sizeable, to use a maximum of materials and to require extensive consumer durable investment, but they would have a low bedroom count

* the units would be located in areas of unemployment, but temporary unemployment

* they would be located in areas where serviced land is readily available

* they would be located in areas of relatively high construction industry productivity.

In contrast with this is the probable activity pattern which would most effectively deal with the hard-core social housing problems in the country:

* it would rehabilitate a substantial number of houses in addition to providing new units

* the units would be directed to those with incomes ranging from $3,000 to $9,000 per year, to those of even lower incomes in the case of rural residents and individuals

* they would be of modest size but have a large number of bedrooms

* they would be located in some areas of chronic under-employment, in larger urban centres, in areas of relatively high employment but low wage levels

* they would be located in some areas where extensive upgrading and improvement of services are required, and in some areas where competition for land is relatively strong

* they would be located in areas of variable construction productivity and in some regions of relatively low productivity.

It is not possible to be hard and fast about either of these images -- but they do serve to illustrate a potential conflict in priorities. It is a conflict which this Government has recognized during the past several years by increasing the amount and proportion of public funds going into housing with social objectives, specifically housing for lower income people.

It is becoming increasingly clear that there is a need for an overall long-term plan for housing capital investment and social capital investment in Canada generally. The Federal Government needs to set goals on both the demand and supply side. To attain the objective of decent housing in a good environment for all Canadians, there is a need to tackle the hard-core problems, to determine their overall dimensions and to say, in the present decade the nation will accomplish <u>this</u> and <u>that</u>, in an operationally defined way.

People in Government know enough about the dynamics and the realities of the housing system and the urban system to realize that trust in "trickling down" as an effective means of stock adjustment is misplaced. They know, and are increasingly having thrust upon them, the fact that the services to housing and land for housing, and the services to people, chiefly education, that go along with the placement of a unit on the ground, are often of more importance than the units themselves as any municipality will testify.

The supply, and distribution of national investment are important Federal responsibilities -- unless there is a plan for the longer term, the nation is doomed to a situation of conflicting objectives and high costs, economic and social.

As part of the establishment of an investment framework then, there is a pressing requirement to move toward conclusions on the subjects of:

* the place of housing among Federal and national priorities

* the need to consciously choose among levers, for maximum benefit and policy change

* the need to set long-term objectives for investment in the basic components of community, economic, and social development in this country.

A more detailed outline of the steps to be taken toward a national housing strategy has been presented on pages 39 & 40.

RATIONALE FOR INCREASED BUDGETARY EXPENDITURE UNDER NHA

The basic case to be made before the department of Finance and Treasury Board concerning the current policy proposals is one for increased Federal funds which to not return with interest. This case can be argued along the following lines:

* Non-budgetary funds require companion increments of budgetary funds in order to "work" - for example, assistance with project development costs permits access to non-budgetary funds to be increased

* the Federal Government has a responsibility for minimum standards across Canada, a responsibility which can only be performed with budgetary funds as the rehabilitation experience demonstrates

* budgetary funds for consumer orientation and for research and development, are needed to get maximum sound investment from non-budgetary funds by way of unit quality and cost control

* budgetary funds are required to directly improve the living conditions of specific priority groups, e.g., the aged

* additional budgetary funds will have substantial employment impact, both directly and indirectly - in the latter case, for example, by broadening the distrubution of housing activity in areas of high unemployment.

STEPS TOWARD A NATIONAL HOUSING STRATEGY

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1. Identification of first priority housing needs based on current information

2. Creation of long term research program to cover gaps in information and to evaluate investment rationale and program attempts as they develop

3. Establishment of decade - long quantitative goals for meeting needs of various sub-groupings of the population - on the basis of location, stock type, delivery methods, subsidy levels, etc.

4. Establishment of a balance among new stock, existing stock and conversion approaches to supply, with a shifting pattern of distribution related to demographic and historical trends

5. Establishment of decade-long quantitative goals for production and delivery system cost control and rationalization

6. Establishment of a balance among cost control, cost reduction, system change, and system rationalization approaches to the production and delivery systems

7. Establishment of decade-long quantitative goals for meeting ecological, anthropometric, social and aesthetic needs and desiderata

8. Establishment of a balance among standards enforcement, demonstration, planning process democratization, and other approaches to qualitative goal attainment

9. Identification of total maximum available resources for housing and closely related purposes

10. Identification of assumptions on basis of which a larger or smaller portion of the total or smaller portion of the total available could be topped:

    (a) over the entire decade

    (b) in any given year.

11. Formulation of investment availability - goal attainment relationship over time

12. Formulation of annual allocation within the investment total for the decade

13. Development of annual allocation rationale in relation to the whole

PRIORITY GROUPS TO RECEIVE NHA HOUSING PROGRAMS (IN ORDER OF PRIORITY)

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1. "GROUPS" NOT CURRENTLY WITHIN THE HOUSING MARKET AT ALL, E.G., PRAIRIE METIS

2. "GROUPS" WITH SPECIAL CHARACTERISTICS NOT ADEQUATELY SERVED BY MARKET PRODUCTION AND WITH LOW INCOME, E.G., HANDICAPPED, LARGE FAMILIES

3. "GROUPS" CURRENTLY CONTRIBUTING TO STOCK MALDISTRIBUTION BY THEIR IMMOBILITY, E.G., ELDERLY IN SINGLE DETACHED UNITS

4. "GROUPS" WITH GENERALLY LOW INCOME AND WITH FAMILY RESPONSIBILITIES

5. "GROUPS" WITH SPECIAL CHARACTERISTICS NOT ADEQUATELY SERVED BY MARKET PRODUCTION, BUT WITH ADEQUATE INCOME E.G., STUDENTS, EX-CONVICTS, ALCOHOLICS

6. "GROUPS" WITH ADEQUATE INCOME BUT SUBJECT TO A RISING PORTION REQUIRED TO MAINTAIN CURRENT HOUSING STANDARD (DUE TO RISING HOUSING COSTS) E.G., WORKING PEOPLE, LOWER MIDDLE INCOME PEOPLE

7. "GROUPS" WITH ADEQUATE INCOME BUT UNABLE TO IMPROVE HOUSING SITUATION BECAUSE OF RISING OWNERSHIP COSTS, E.G., LOWER MIDDLE, AND MIDDLE INCOME PEOPLE

8. "GROUPS" WITH ADEQUATE INCOME BUT SUBJECT TO AN INADEQUATE QUALITY OF COMMUNITY ENVIRONMENT AND AMENITIES, UNCERTAINTY ABOUT CONTEXT OF CURRENT RESIDENTIAL LOCATION, ETC., E.G., HIGH RISE APARTMENT DWELLERS, CENTRAL CITY RESIDENTS

V. THE FUTURE OF CMHC

The present document does not attempt to go into detail on the subject of the future role and responsibilities of CMHC. It provides a brief review of the current and long term issues facing the Corporation. It sets out entirely for discussion purposes a set of "feasible objectives" for the Corporation over the decade. Finally, it diagrams the overall alternatives for organizational development which may need to be explored during the coming two years.

The cumulative effect of the proposals being made in the various policy documents associated with this overview is to add substantial new dimensions to CMHC's role and objectives.

CURRENT ISSUES FACING CMHC MANAGEMENT

1. FUTURE OF "RESIDUAL LENDING" ACTIVITY VIA SECTION 52 (40) IN VIEW OF CURRENT TRENDS

2. PROJECTION OF PROFITS DECLINE BELOW POINT OF RETURN IN A YEARS' TIME

3. SLOWNESS OF COMMITMENTS UNDER FEDERALLY INITIATED LENDING PROGRAMS IN 1971

4. INCREASING TREASURY BOARD/DEPARTMENT OF FINANCE INTEREST IN NON-BUDGETARY FUNDS AND CMHC CASH FLOW SITUATION

5. PUBLIC CRITICISM OF CMHC ENFORCEMENT OF HOUSING STANDARDS EG. RICHMOND SQUARE, ST. JEAN VIANNEY, ROCHDALE

6. RAPID INCREASE IN SUBSIDY-BASED, NEAR-BORROWING RATE, LOCKED-IN, INTERGOVERNMENTAL PROGRAMS IE. PUBLIC HOUSING, SEWAGE TREATMENT

7. GROWTH OF NEW THRUSTS BY OTHER DEPARTMENTS AFFECTING CMHC PROGRAMS, EG. ENVIRONMENT, D.P.W., D.R.E.E.

8. RAPID INCREASE IN BOTH ABSOLUTE AND PER TRANSACTION OPERATING EXPENDITURES

9. INCREASING BOARD OF DIRECTORS DESIRE TO BE INVOLVED, TO SCRUTINIZE

10. PROBLEMS ASSOCIATED WITH ACCELERATED $113 M COMMITMENTS UNDER FEDERAL EMPLOYMENT PROGRAM

LONG-TERM ISSUES FOR CONTINUING MANAGEMENT CONSIDERATION

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1. The effects of CMHC delivery of funds on the economy of Canada.

2. The expenditure pattern of Federal funds on housing and urban development -- the disbursement of funds which do not return.

3. The methods by which funds are provided to consumers and to producers.

4. The equity of distribution of CMHC funds among provinces and municipalities.

5. The effects of CMHC funding and incentive mechanisms on provincial and municipal priorities.

6. The relationship of CMHC activity to the private housing market.

7. The relationship of CMHC delivered urban assistance measures to private development and redevelopment processes.

8. The effects of CMHC programs in producing intergovernmental and interdepartmental co-operation.

9. The role of citizens and non-governmental organizations in CMHC decision-making.

10. CMHC's role in environmental improvement and the advancement of environmental quality standards.

11. The future of CMHC as an organization.

FEASIBLE OBJECTIVES FOR CMHC

1972 - 1981

OBJECTIVE 1: TO ENSURE THE EXPRESSION OF INEFFECTIVE DEMAND FOR HOUSING SO THAT BY THE END OF THE DECADE ALL MAJOR GROUPS IN SOCIETY HAVE ACCESS TO THE HOUSING MARKET

OBJECTIVE 2: TO ENSURE THE ATTAINMENT OF MINIMUM STANDARDS OF HOUSING AND CLOSELY RELATED COMMUNITY SERVICES ACROSS CANADA BY THE END OF THE DECADE

OBJECTIVE 3: TO SECURE, IN CO-OPERATION WITH OTHER GOVERNMENTS, COST REDUCTIONS IN LAND, SERVICING AND HOUSING PRODUCTION WITH THE OBJECT OF ENSURING THAT SHELTER COST INCREASES TO THE CONSUMER DO NOT EXCEED THE AVERAGE CONSUMER PRICE INCREASE OVER THE DECADE

OBJECTIVE 4: TO SECURE, IN CO-OPERATION WITH OTHER DEPARTMENTS AND GOVERNMENTS, A REDUCTION IN SHELTER COSTS PAID BY LOW INCOME GROUPS TO THE EXTENT THAT NO FAMILY WITH CHILDREN IS PAYING MORE THAN 30% OF ITS GROSS INCOME FOR SHELTER, AND TO THE EXTENT THAT NO HOUSEHOLD IS PAYING MORE THAN 40% OF ITS GROSS INCOME

OBJECTIVE 5: TO ENSURE, IN CO-OPERATION WITH OTHER GOVERNMENTS AND THE PRIVATE SECTOR, THE MAINTENANCE AND IMPROVEMENT OF BASIC HOUSING QUALITY STANDARDS AND TO INSTITUTE GENERALLY APPLIED CONSUMER QUALITY GUARANTEES FOR NHA-SPONSORED UNITS

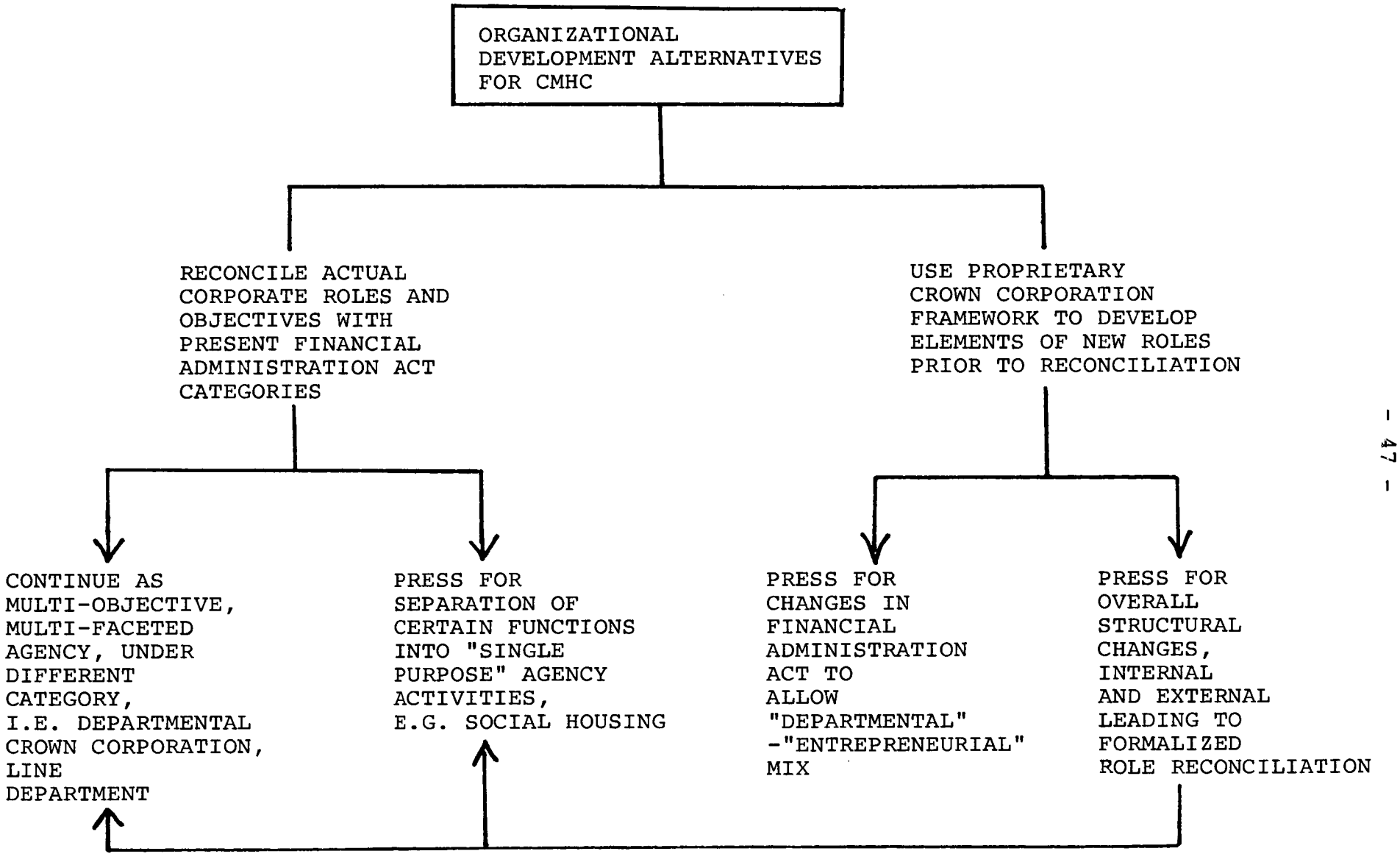
OBJECTIVE 6: TO ENSURE, IN CO-OPERATION WITH OTHER DEPARTMENTS AND GOVERNMENTS, THAT NEW GROWTH IN MAJOR BUILT-UP REGIONS ACROSS CANADA TAKES PLACE IN AN ORDERLY PUBLICLY PLANNED MANNER AND THAT BY THE END OF THE DECADE ALL SUCH GROWTH TAKES PLACE WITHIN AN OVERALL DEVELOPMENT STRATEGY

OBJECTIVE 7: TO DEFINE IN CO-OPERATION WITH THE URBAN MINISTRY AND OTHER FEDERAL DEPARTMENTS, A STRATEGIC FEDERAL ROLE IN URBAN AFFAIRS AND TO SECURE A PLACE IN THE OPERATIONAL GUIDANCE PROCESSES OF INDIVIDUAL URBAN REGIONS

OBJECTIVE 8: TO ENCOURAGE TO A SUCCESSFUL CONCLUSION THE CREATION OF HOUSING TECHNOLOGY AND DESIGN GEARED TO RURAL AND HINTERLAND CONDITIONS AND ECONOMIC DEVELOPMENT

OBJECTIVE 9: TO PROMOTE TO A SUCCESSFUL CONCLUSION THE DEVELOPMENT OF ALTERNATIVE SEWAGE COLLECTION AND TREATMENT FACILITIES WHICH PERMIT DECENTRALIZED FORMS OF LAND DEVELOPMENT AT LOWER SERVICING COSTS

OBJECTIVE 10: TO RESOLVE CORPORATE ROLE DEFINITION AND FINANCIAL ADMINISTRATION STATUS PROBLEMS AND ESTABLISH A NEW POLICY EQUILIBRIUM WHICH BALANCES CAPABILITIES AND RESPONSIBILITIES


ORGANIZATIONAL DEVELOPMENT ALTERNATIVES FOR CMHC
RECONCILE ACTUAL CORPORATE ROLES AND OBJECTIVES WITH PRESENT FINANCIAL ADMINISTRATION ACT CATEGORIES
USE PROPRIETARY CROWN CORPORATION FRAMEWORK TO DEVELOP ELEMENTS OF NEW ROLES PRIOR TO RECONCILIATION
CONTINUE AS MULTI-OBJECTIVE, MULTI-FACETED AGENCY, UNDER DIFFERENT CATEGORY, I.E. DEPARTMENTAL CROWN CORPORATION, LINE DEPARTMENT
PRESS FOR SEPARATION OF CERTAIN FUNCTIONS INTO "SINGLE PURPOSE" AGENCY ACTIVITIES, E.G. SOCIAL HOUSING
PRESS FOR CHANGES IN FINANCIAL ADMINISTRATION ACT TO ALLOW "DEPARTMENTAL" -"ENTREPRENEURIAL" MIX
PRESS FOR OVERALL STRUCTURAL CHANGES, INTERNAL AND EXTERNAL LEADING TO FORMALIZED ROLE RECONCILIATION

VI. TOWARD RESOLUTION: A REVIEW OF THE ISSUES, FACTORS, AND CHOICES

SUMMARY

In this chapter, the attempt is to isolate the major hard issues facing the Minister and Management at this time, to identify the key factors to be considered in resolving them, and to set out in brief terms the hard choices to be made. Time has not permitted the more extensive review of issues which would have been desirable.

The major theme of the chapter is that more than legislative policy questions are at stake -- the use of new and existing programs and the initiatives to be taken within current mandates are also up for decision.

ISSUES

As identified in a large number of meetings on the policy documents concerned, the following issues face us at the present time:

1. The overall scope of what is to be undertaken in 1972.

   Are the minimum or the maximum number of initiatives to be taken and what criteria define each of these

2. The relationship of what is to be undertaken to overall Federal urban objectives - whether the present actions are to advance or to be neutral towards these objectives

3. The extent to which political factors are to be allowed to override normal constraints on the budgetary activity under the NHA

4. Within the low income housing field - whether this is a declining or an increasing problem.

5. Further, whether more tools for the same funds or the generation of additional housing to the present annual increment is to receive emphasis

6. Within the urban assistance field whether a broad front or narrow front is to be adopted

7. Further, whether the locality is to be given a package from which it makes its choice or alternatively a Federal "leverage" approach involving Federal objectives is to be adopted.

8. Whether public intervention to control land costs is to be made a major issue.

These are of course not exhaustive.

FACTORS

Flowing from these issues are the following factors:

1. the capability of CMHC to mount and deliver more than a limited number of new programs in any one year

2. the losses, gains, or holding posiitons which may result from current action - and inaction

3. the willingness of Cabinet to approve major initiatives in the housing and urban fields at this time.

CHOICES

Shaped in turn by the issues and factors -- and subject to detailed elaboration in the Appended resource document (Chapter IV) are the following basic choices:

1. between setting long term directions by seeking Cabinet commitment to a social emphasis in housing investment, the wind-down of public housing, and an extensive urban assistance and land assembly package and adopting a more cautious approach

2. between getting a commitment to an overall housing and community building strategy related to a national development strategy and avoiding such a commitment at the present time

3. between clarifying CMHC's future role and objectives in the context of current discussions and returning with more detailed plans on this subject at a later date

4. between a wide-ranging NHA which includes general loans for day care and broad urban assistance measures and a specific <u>housing</u> act.

This brief review is a starting point for discussion and debate.

Appendix A

RESOURCE DOCUMENT
FOR DECISION-MAKING

CONTENTS

I. INTRODUCTION

This document is intended to serve as a reference piece for decision-making and as a companion to the main Overview paper. It does not purport to be the last word on any of the subjects covered by the chapters which follow. But it does bring together for the first time a wide range of quantitative and other information relevant to NHA policies and programs for the period 1971-1981. It also provides for the options developed by the Policy Planning Division a "cross-impact matrix" which is designed as a tool for testing the policy effects of what is proposed.

In this introductory statement, we will review each of the subsequent chapters in order to describe breifly the nature and purpose of their contents.

FORECASTS OF THE DECADE, 1971-1981

This is a compilation of projections and forecasts from a variety of recent Federal studies including those prepared by N. H. Lithwick, J. W. MacNeill, and the National Energy Board. In effect these forecasts set boundaries for the immediately relevant planning time frame -- a time frame well within the life of the present Government and within the political careers of the present Canadian leadership. They also presage continuing problems and emergent difficulties of the decade. Growth, change, and institutional stresses are the constants of the period to come.

CAPITAL INVESTMENT PROJECTIONS, 1971-1981

Another sort of "boundary" for the period ending 1981 is the nationally available capital from all sources and for all purposes. Based on the annual statistics prepared by the Department of Industry, Trade and Commerce and Statistics Canada, a series of projections has been made of national, social capital and housing investment and of the investments to be made by the various levels of government. While some of the amounts concerned can clearly be influenced by governmental action, the larger figures are subject to overall limitations given the present high propensity of Canadians to save.

In effect, housing must compete with businesses, with public institutions such as universities and hospitals, and with other forms of community-building endeavours - roads, industrial construction, etc., for the available capital.

POLICY IMPACT MATRIX

This portion of the document describes the categories used to develop a "matrix" of effects for different policy options developed over the course of the past year. The matrix itself has been included as a separate item along with the Resource Document.

In the briefest terms, the chart provided attempts to provide in one place an assessment of the positive, negative, or uncertain effects of the policy proposals on land, housing stock, equity, subsidy levels, tenure, decision control, citizen participation, "high cost" urban systems, planning capability, city growth, rural communities, as well as more general environmental and social aspects of Canadian society. A "no change" category for the policies is also provided. The attempt of the matrix is to allow the "gains" to be made with the policies to be consciously checked.

INDICATORS OF PROGRAM NEED AND POTENTIAL IMPACT

Finally, a selection of the available indicators of need for and potential impact of the current program proposals has been presented. These include statistics on the housing conditions of low income people, on land cost effects, on neighbourhoods in need of improvement, etc. The attempt is to provide a readily grasped review of the pressing realities of the situation across Canada right now.

CHAPTER II. FORECASTS OF THE DECADE, 1971-1981

As part of the process of exploring the "boundaries of the future", a number of recent forecasts of the decade from a variety of sources have been assembled. Although the qualitative aspects of Canadian communities ten years from now have not received a great deal of attention, the major quantifiable elements have been probed by one or another of the Federal agencies during the past two years.

The essential characteristic of all the forecasts is of course growth -- in fact, it is doubtful that the methods employed would permit much else to "occur" in the future because:

* most of the forecasts are of single variables without cross-impact assessment. It is thus not possible for an increase in one element in the future to lead to a decrease in another

* many of the forecasts are also linear within themselves so that cyclical fluctuations and similar multi-variate changes are ruled out.

The following is a list of the contents of the appendix:

POPULATION

1. Canada Total, Rural and Urban Population, Estimates and Projection, 1951-1981 (Millions)

2. Percentage Composition, Rural and Urban

3. Growth of Total, Urban and Rural Population, Canada and its Regions, 1966-1981

4. Population Estimates (in thousands) by Province: 1966, 1975, 1980

5. Persons per Household by Province: 1966, 1975, 1980

6. Projected Population for Canada and the Provinces, Quinquennially 1966-1981

7. Projected Family and Household Formation for Canada (and for individual provinces)

8. Projected Population for Selected Census Metropolitan Areas, Quinquennially 1966-1981

9. Projected Percentage Growth in Population, Selected Metropolitan Areas, 1971-1981.

ECONOMY

HOUSING

TRANSPORT

26. Automobile Stock (in thousands)

27. Persons per Automobile

28. Private Automobiles - First Cars (in thousands)

29. Private Automobiles - Second Cars (in thousands)

30. Demand for Road Investment in Canada (1970 Prices, $ Billion)

31. Total Demand for Highway Expenditure 1970-1990 ($ Billion, 1970 Prices)

32. Demand for Road Expenditure in Urban Areas, 1970-1990 ($ Billion, 1970 Prices).

ENERGY

33. Residential Space-Heating Allocation, Canada

34. Residential and Commercial Fuel Demand, Canada, (in BTU 10^{12})

35. Residential and Commercial Fuel Consumption, Canada

36. Transportation Fuel Consumption, Canada

37. Electricity Demand and Supply, Canada (in GWH)

38. Estimated Installed Generating Capacities by Province (in MW)

POLLUTION CONTROL

39. Emissions in Thousands of Tons Due to Fossil Fuels 1966-1990

40. Projected Urban Expenditures on Solid Waste Treatment

41. Annual Expenditure for Municipal Waste Water Pollution Abatement under Alternate Assumptions: 1966-1981

TABLE 1

CANADA TOTAL, RURAL AND URBAN POPULATION
ESTIMATES AND PROJECTION, 1951-1981
(Millions)

	Rural	Urban	Total
1951	5.2	8.8	14.0
1966	5.3	14.7	20.0
1981	3.7	21.7	25.4

TABLE 2

PERCENTAGE COMPOSITION

	Rural	Urban
1951	37	63
1966	26	74
1981	15	85

TABLE 3

GROWTH OF TOTAL, URBAN AND RURAL POPULATION
CANADA AND ITS REGIONS
1966-1981

	1966			1981		
	Total	Urban	Rural	Total	Urban	Rural
CANADA						
Medium	20.0	14.7	5.3	25.3	21.7	3.7
% Canada	100	73.6	26.4	100	85.4	14.6
High	-	-	-	27.1	23.2	3.9
Low	-	-	-	24.8	21.2	3.6
ATLANTIC REGION						
Medium	2.0	1.1	0.9	2.1	1.4	0.7
% Canada	10.0	5.5	4.5	8.3	5.5	2.8
% Region	100	55.0	45.0	100	66.9	33.1
High	-	-	-	2.3	1.5	0.8
Low	-	-	-	2.0	1.3	0.7
QUEBEC						
Medium	5.8	4.5	1.3	7.3	6.5	0.8
% Canada	28.9	22.5	6.5	28.6	25.7	3.2
% Province	100	78.3	21.7	100	89.4	10.6
High	-	-	-	7.6	6.8	0.8
Low	-	-	-	7.1	6.4	0.7
ONTARIO						
Medium	7.0	5.6	1.4	9.3	8.3	1.0
% Canada	34.8	28.0	7.0	36.8	32.8	4.0
% Province	100	80.4	19.6	100	89.1	10.9
High	-	-	-	10.1	8.9	1.2
Low	-	-	-	9.2	8.1	1.1
PRAIRIE REGION	3.4	2.1	1.3	3.9	3.1	0.8
% Canada	17.0	10.5	6.5	15.4	12.2	3.1
% Region	100	61.9	38.1	100	79.6	20.4
High	-	-	-	4.3	3.4	0.9
Low	-	-	-	3.8	3.0	0.8
BRITISH COLUMBIA						
Medium	1.9	1.4	0.5	2.8	2.4	0.4
% Canada	9.4	7.0	2.5	11.1	9.5	1.6
% Province	100	75.3	24.7	100	84.4	15.6
High	-	-	-	2.9	2.4	0.5
Low	-	-	-	2.7	2.3	0.4

TABLE 4

POPULATION ESTIMATES[1]
(in thousands)

	1966	1975	1980
Nfld.	493	564	607
P.E.I.	109	117	122
N.S.	756	791	811
N.B.	617	651	671
Que.	5,781	6,610	7,121
Ont.	6,961	8,393	9,312
Man.	963	1,044	1,092
Sask.	955	1,008	1,038
Alta.	1,463	1,733	1,904
B.C.	1,874	2,382	2,721
Y & N.W.T.	43	56	56
Canada	20,015	23,349	25,464

[1] 1966 DBS. Forecast: NEB Staff Estimate

TABLE 5

PERSONS PER HOUSEHOLD[2]

	1966	1975	1980
Nfld.	5.082	4.866	4.746
P.E.I.	4.360	4.252	4.192
N.S.	4.086	3.870	3.750
N.B.	4.345	4.075	3.925
Que.	4.164	3.892	3.742
Ont.	3.709	3.601	3.541
Man.	3.718	3.610	3.550
Sask.	3.673	3.583	3.533
Alta.	3.713	3.623	3.573
B.C.	3.451	3.433	3.423
Y & N.W.T.	4.778	4.508	4.358
Canada	3.864	3.711	3.626

[2] 1966 Derived from DBS Census. Forecast: NEB Staff Estimate

TABLE 6

PROJECTED POPULATION FOR CANADA AND THE PROVINCES, QUINQUENNIALLY 1966-1981
(Medium fertility, 1961-66 Rate of Net Migration)
(000's)

	1966*	1971	1976	1981
Canada	20,015	21,656	23,399	25,362
Newfoundland	493	523	551	580
Prince Edward Island	109	111	113	114
Nova Scotia	756	764	765	763
New Brunswick	617	625	628	629
Quebec	5,781	6,268	6,750	7,261
Ontario	6,961	7,679	8,449	9,333
Manitoba	963	992	1,015	1,040
Saskatchewan	955	971	979	988
Alberta	1,463	1,582	1,703	1,841
British Columbia	1,874	2,140	2,446	2,813

* DBS Census 1966

TABLE 7

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR CANADA

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	4,526	5,008	5,609
Marriages	857	1,019	1,162
Net Migration of Married Females	82	96	116
Deaths of Married Persons	398	439	483
Divorces	59	76	95
Net Family Formation	482	601	699
Final Stock of Families*	5,008	5,609	6,308
Family Households*	4,861	5,484	6,203
Non-Family Households*	926	1,136	1,410
Total Households*	5,787	6,620	7,613

* Stock at end of period shown.

TABLE 7A

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR NEWFOUNDLAND

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	97.0	104.9	114.3
Marriages	20.5	23.1	24.4
New Migration of Married Females	-5.3	-5.8	-5.9
Deaths of Married Persons	7.3	7.8	8.4
Divorces	0.1	0.1	0.1
Net Family Formation	7.9	9.4	10.0
Final Stock of Families*	104.9	114.3	124.3
Family Households*	97.7	107.0	117.3
Non-Family Households*	7.3	8.4	9.5
Total Households*	105.0	115.4	126.9

* Stock at end of period shown.

TABLE 7B

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR PRINCE EDWARD ISLAND

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	22.7	22.8	23.0
Marriages	3.5	3.8	3.9
Net Migration of Married Females	-0.8	-0.8	-0.9
Deaths of Married Persons	2.6	2.7	2.6
Divorces	0.1	0.1	0.1
Net Family Formation	0.0	0.2	0.3
Final Stock of Families*	22.8	23.0	23.3
Family Households*	21.9	22.2	22.6
Non-Family Households*	3.8	4.1	4.3
Total Households*	25.6	26.3	27.0

* Stock at end of period.

TABLE 7C

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR NOVA SCOTIA

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	166.2	169.5	173.6
Marriages	29.6	31.7	32.4
Net Migration of Married Females	-8.0	-8.2	-7.8
Deaths of Married Persons	16.2	16.8	17.7
Divorces	2.2	2.6	3.0
Net Family Formation	3.2	4.1	4.0
Final Stock of Families*	169.5	173.6	177.6
Family Households*	162.9	168.2	173.2
Non-Family Households*	28.0	31.0	34.2
Total Households*	190.9	199.2	207.4

* Stock at end of period.

TABLE 7D

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR NEW BRUNSWICK

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	129.3	135.4	141.8
Marriages	25.9	27.8	28.0
Net Migration of Married Females	-7.2	-7.6	-7.1
Deaths of Married Persons	11.8	12.6	13.3
Divorces	0.9	1.1	1.3
Net Family Formation	6.0	6.5	6.3
Final Stock of Families*	135.4	141.8	148.1
Family Households*	130.4	137.6	144.5
Non-Family Households*	19.4	22.0	24.8
Total Households*	149.8	159.5	169.3

* Stock at end of period shown.

TABLE 7E

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR QUEBEC

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	1229.3	1394.1	1587.3
Marrieges	260.5	302.3	336.4
Net Migration of Married Females	12.1	13.1	14.6
Deaths of Married Persons	102.2	115.4	129.8
Divorces	-5.5	6.8	8.2
Net-Family Formation	164.8	193.2	213.1
Final Stock of Families*	1394.1	1587.3	1800.4
Family Households*	1363.4	1563.2	1781.8
Non-Family Households*	234.2	304.2	393.9
Total Households*	1597.6	1867.4	2175.7

*Stock at end of period.

TABLE 7F

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR ONTARIO

(in Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	1657.9	1852.0	2099.6
Marriages	299.5	367.6	432.3
Net Migration of Married Females	69.2	78.2	88.1
Deaths of Married Persons	150.8	167.0	184.8
Divorces	23.9	31.2	39.7
Net Family Formation	194.1	247.6	295.8
Final Stock of Families*	1852.0	2099.6	2395.5
Family Households*	1788.8	2046.6	2351.7
Non-Family Households*	333.1	412.8	516.7
Total Households*	2121.9	2459.3	2868.4

* Stock at end of period.

TABLE 7G

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR MANITOBA

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	222.7	232.4	245.5
Marriages	38.5	43.5	46.6
Net Migration of Married Females	-6.1	-6.0	-6.0
Deaths of Married Persons	19.8	21.0	22.1
Divorces	2.9	3.5	4.1
Net Family Formation	9.7	13.0	14.4
Final Stock of Families*	232.4	245.5	259.9
Family HOuseholds*	226.6	240.5	255.9
Non-Family Households*	47.2	55.5	65.6
Total Households*	273.8	296.0	321.5

* Stock at end of period shown.

TABLE 7H

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR SASKATCHEWAN

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	216.7	219.5	225.1
Marriages	34.8	38.6	40.9
Net Migration of Married Females	-10.3	-10.3	-10.1
Deaths of Married Persons	19.8	20.5	21.2
Divorces	1.8	2.2	2.5
Net Family Formation	2.8	5.6	7.0
Final Stock of Families*	219.5	225.1	232.1
Family Households*	216.3	222.3	229.9
Non-Family Households*	49.7	53.9	59.5
Total Households*	266.0	276.3	289.4

* Stock at end of period shown.

TABLE 7I

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR ALBERTA

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	331.2	364.7	407.6
Marriages	64.8	78.2	91.1
Net Migration of Married Females	2.8	3.6	4.5
Deaths of Married Persons	25.1	27.5	30.2
Divorces	9.0	11.4	14.1
Net Family Formation	33.5	42.9	51.3
Final Stock of Families*	364.7	407.6	458.8
Family Households*	358.6	402.4	454.7
Non-Family Households*	76.8	88.6	104.8
Total Households*	435.4	491.0	559.5

* Stock at end of period shown.

TABLE 7J

PROJECTED FAMILY AND HOUSEHOLD FORMATION FOR BRITISH COLUMBIA

(In Thousands)

	1966-71	1971-76	1976-81
Initial Stock of Families	445.3	505.0	583.3
Marriages	79.8	102.3	125.4
Net Migration of Married Females	35.1	40.3	46.6
Deaths of Married Persons	42.7	47.4	53.1
Divorces	12.5	16.9	22.2
Net Family Formation	59.7	78.3	96.7
Final Stock of Families*	505.0	583.3	80.0
Family Households*	494.7	573.9	671.7
Non-Family Households*	126.4	155.9	196.2
Total Households*	621.1	729.7	868.0

*Stock at end of period shown.

TABLE 8

PROJECTED POPULATION FOR SELECTED CENSUS METROPOLITAN AREAS, QUINQUENNIALLY 1966-1981

(Medium fertility, 1961-1966 net migration rate)

Census Metropolitan Area	1966	1971	1976	1981
Calgary	331	386	445	511
Edmonton	401	471	546	630
Halifax	198	211	224	239
Hamilton	449	505	564	628
London	205	230	258	290
Montreal	2,437	2,784	3,145	3,528
Ottawa	495	562	634	711
Quebec	413	473	536	602
Regina	131	151	172	195
Toronto	2,158	2,531	2,926	3,354
Vancouver	892	1,003	1,121	1,250
Windsor	212	229	247	266
Winnipeg	509	537	567	599

TABLE 9

TABLE 13 - 15
PERCENTAGE GROWTH IN POPULATION

1971 - 1981

	METHOD:			
	N1	N4	N5	SRG
Calgary	45.4	28.5	21.4	32.9
Edmonton	45.1	31.0	28.5	34.5
Hamilton	52.1	28.7	20.1	24.6
London	50.1	32.9	27.3	26.5
Montreal	50.2	28.4	19.7	27.2
Ottawa	42.3	33.3	33.7	26.9
Quebec City	46.8	33.4	33.7	27.7
Regina	44.5	30.6	26.6	29.1
Toronto	50.2	29.6	19.9	32.9
Vancouver	49.4	32.6	27.6	25.1
Windsor	51.3	30.5	26.0	16.6
Winnipeg	47.1	28.9	20.8	11.7

TABLE 10

PROJECTED YEAR 1967 OUTPUT
DOUBLED, TRIPLED AND QUADRUPLED BY INDUSTRY
1967-2000

	Year Industry Output		
	Doubled	Tripled	Quadrupled
Utilities	1976	1981	1985
Manufacturing	1979	1986	1991
Transportation	1980	1988	1993
Construction	1984	1994	2000
Mining	1979	1985	1990
Agriculture	1996	-	-
Forestry	1984	1995	-

TABLE 11

PROJECTED PRODUCTION BY SELECTED INDUSTRIES
1967 and 1980
(Billions-$ 1967)

	1967 Actual	1980 Medium Estimate
Manufacturing	14.5	31.1
Mining	2.3	5.1
Construction	3.8	8.1
Utilities	1.6	4.3
Transportation	5.2	10.4
Agriculture	2.3	3.2
Forestry	0.6	0.9

TABLE 12

LABOUR FORCE FORECASTS

METHOD N-1

	1971		1981	
	M	F	M	F
Calgary	12.1	5.1	19.5	8.0
Edmonton	14.4	6.4	23.1	10.1
Hamilton	17.9	6.9	30.0	11.2
London	7.8	3.9	12.7	6.3
Montreal	91.8	38.3	151.0	63.5
Ottawa	17.4	8.4	27.4	13.1
Quebec	13.7	6.4	22.0	10.2
Regina	4.8	2.5	7.8	3.9
Toronto	85.5	41.5	140.2	66.4
Vancouver	32.6	14.1	52.8	22.3
Windsor	8.1	3.1	13.6	5.0
Winnipeg	20.7	10.2	33.7	16.3

TABLE 13

LABOUR FORCE FORECASTS

METHOD
N-4

	1971		1981	
	M	F	M	F
Calgary	10.0	7.0	13.4	7.0
Edmonton	12.0	8.1	16.3	9.3
Hamilton	14.1		18.7	9.3
London	6.5	3.7	8.8	5.5
Montreal	74.3	34.5	99.9	50.9
Ottawa	15.4	8.2	21.7	12.6
Quebec	11.6	6.1	15.9	9.4
Regina	4.1	2.4	5.5	3.5
Toronto	69.8	37.1	94.3	54.2
Vancouver	26.9	13.2	36.4	19.9
Windsor	6.5	2.9	8.7	4.4
Winnipeg	16.9	9.4	22.5	14.0

TABLE 14

LABOUR FORCE FORECASTS

METHOD N-5

	1971		1981	
	M	F	M	F
Calgary	9.7	4.3	12.7	5.9
Edmonton	11.9	5.9	16.2	8.7
Hamilton	13.5	9.8	17.1	7.8
London	8.4	3.4	8.9	4.7
Montreal	72.7	31.0	95.5	40.4
Ottawa	16.2	8.0	23.7	11.8
Quebec	11.7	6.1	16.4	9.3
Regina	4.0	2.3	5.3	3.3
Toronto	68.8	32.7	91.5	41.3
Vancouver	26.4	12.4	35.4	17.4
Windsor	6.3	2.8	8.3	4.0
Winnipeg	16.3	8.7	21.2	11.7

TABLE 15

HOUSEHOLDS OR OCCUPIED DWELLINGS[1]
(in thousands)

	1966	1975	1980
Nfld	97.0	115.8	128.0
P.E.I	25.0	27.5	29.1
N.S	185.0	204.3	216.2
N.B	142.0	159.8	170.9
Que	1,389.0	1,698.3	1,902.9
Ont	1,877.0	2,330.7	2,629.7
Man	259.0	289.2	307.5
Sask	260.0	281.3	293.9
Alta	394.0	478.3	532.9
B.C	543.0	693.8	795.0
Y. & N.W.T	9.0	12.4	14.9
Canada	5,180.0	6,291.4	7,021.0

[1] 1966 DBS Census. Forecast: NEB Staff Estimate

TABLE 16

NUMBER OF APARTMENTS[2]
(in thousands)

	1966	1975	1980
Nfld	9.0	14.7	18.3
P.E.I	3.0	3.8	4.2
N.S	31.0	36.8	40.3
N.B	29.0	34.3	37.7
Que	719.0	904.6	1,027.4
Ont	453.0	679.9	829.5
Man	48.0	60.1	67.4
Sask	34.0	41.4	45.9
Alta	75.0	112.9	137.5
B.C	114.0	189.4	240.0
Y. & N.W.T	1.0	2.0	2.8
Canada	1,516.0	2,079.9	2,451.0

[2] 1966 DBS Census. Forecast: NEB Staff Estimate

TABLE 17

NUMBER OF SINGLE, DOUBLE AND[1] ROWHOUSING UNITS (in thousands)

	1966	1975	1980
Nfld	88.0	101.1	109.7
P.E.I	22.0	23.7	24.9
N.S	154.0	167.5	175.9
N.B	113.0	125.5	133.2
Que	670.0	793.7	875.5
Ont	1,424.0	1,650.8	1,800.2
Man	211.0	229.1	240.1
Sask	226.0	239.9	248.0
Alta	319.0	365.4	395.4
B.C	429.0	504.4	555.0
Y. & N.W.T	8.0	10.4	12.1
Canada	3,664.0	4,211.5	4,570.0

[1]1966 DBS Census, Forecast: NEB Staff Estimate.

TABLE 18

APARTMENT RATIO[2]

	1966	1975	1980
Nfld	9.28	12.65	14.29
P.E.I	12.00	13.66	14.52
N.S	16.75	18.01	18.66
N.B	20.42	21.48	22.04
Que	51.76	53.26	53.99
Ont	24.14	29.17	31.54
Man	18.53	20.77	21.92
Sask	13.08	14.73	15.61
Alta	19.03	23.61	25.80
B.C	20.99	27.30	30.19
Y. & N.W.T	11.11	16.34	18.61
Canada	29.27	33.06	34.91

[2]Tables 3,4.

TABLE 19

FORECAST HOUSING DEMAND, METROPOLITAN AREAS
1971-1981

Metropolitan Area	Type of Demand	Forecast Additions to Housing Stock (thousands)	
		1961-71	1971-81
Halifax	Family		
	Non-Family	n/a	n/a
	Total		
Quebec	Family	27.0	36.3
	Non-Family	11.9	16.7
	Total	38.9	53.0
Montreal	Family	170.1	238.6
	Non-Family	95.3	123.1
	Total	265.4	361.7
Ottawa	Family	32.8	43.1
	Non-Family	16.5	22.3
	Total	49.3	65.4
Toronto	Family	170.5	234.2
	Non-Family	60.9	84.6
	Total	231.4	318.8
Windsor	Family	7.4	14.4
	Non-Family	3.8	4.6
	Total	11.2	19.0
Winnipeg	Family	18.0	19.1
	Non-Family	14.7	15.6
	Total	32.7	34.7
Regina	Family	7.8	12.6
	Non-Family	6.3	8.1
	Total	14.1	20.7
Edmonton	Family		
	Non-Family	n/a	n/a
	Total		
Calgary	Family		
	Non-Family	n/a	n/a
	Total		
Vancouver	Family	50.9	69.7
	Non-Family	42.3	54.4
	Total	93.2	124.1
Total MTV*	Family	391.5	542.5
	Non-Family	198.5	262.1
	Total	589.0	804.6

* Montreal, Toronto, Vancouver

TABLE 20

RESIDENTIAL LAND REQUIREMENTS 1971-81[1]

	Land Acreage by Dwelling Type				
	TYPE I	TYPE II	TYPE III	TYPE IV	TOTAL
Canada	215,967	10,807	4,445	24,184	255,403
PROVINCES					
Newfoundland	3,361	47	36	25	3,469
P.E.I.	706	29	15	8	758
Nova Scotia	3,989	107	40	159	3,295
New Brunswick	3,115	87	45	95	3,342
Quebec	46,623	3,597	536	7,233	57,989
Ontario	87,843	5,005	2,799	10,625	106,272
Manitoba	5,207	168	119	423	5,917
Saskatchewan	4,346	137	13	164	4,660
Alberta	19,671	594	331	1,451	22,047
British Columbia	42,106	1,036	511	4,001	47,654
CITIES					
Calgary	4,526	266	58	410	5,260
Edmonton	4,533	94	135	502	5,264
Halifax	456	56	16	103	631
Hamilton	6,079	89	181	804	7,153
London	3,112	154	173	395	3,834
Montreal	17,132	2,460	355	5,752	25,699
Ottawa-Hull	6,266	484	512	866	8,128
Quebec City	4,157	153	30	547	4,887
Saint John	474	26	8	23	531
St. John's	635	28	15	11	689
Toronto	19,600	2,454	1,111	5,952	29,117
Vancouver	17,156	311	181	2,971	20,619
Victoria	3,863	123	35	550	4,571
Winnipeg	3,280	172	86	430	3,968

1. Joseph H. Chung, "Land and Low Income Housing", Low Income Housing Research Group Report, 1971, Table II.

Dwelling Types: I - single or semi-detached; II - duplex or triplex; III - row house; IV - apartment.

TABLE 21

PROJECTED COST* OF LAND IN 1981 IN MAJOR[1] CANADIAN CITIES
(In dollars per frontage foot)

	1970 Price $	Residual $	1981 Price $	% Increase
Calgary	105	-3	167	+ 59
Edmonton	136	28	200	+ 47
Halifax	109	28	169	+ 55
Hamilton	207	75	287	+ 39
London	80 (1967)	-23	174	+ 118
Montreal	40 (1967)	-95	191	+ 378
Ottawa	102 (1967)	-20	199	+ 95
Quebec	54	-13	117	+ 117
Saint John	38	-28	81	+ 113
St. John's	106	35	174	+ 64
Toronto	321	73	448	+ 40
Vancouver	168	34	322	+ 92
Victoria	71	15	219	+ 208
Winnipeg	88	-22	155	+ 76

1. Ibid., Table XII.

(Research Group calculations and CMHC statistics)

TABLE 22

RESIDENTIAL LAND REQUIREMENTS FOR LOW-INCOME[1] HOUSING, 1971-81

	Land Acreage
Canada	32,582
REGIONS	
Maritimes	3,150
Quebec	9,278
Ontario	12,753
Prairies	3,589
British Columbia	3,812
CITIES	
Calgary	473
Edmonton	526
Halifax	183
Hamilton	858
London	192
Montreal	3,341
Ottawa	894
Quebec	684
Saint John	165
St. John's	165
Toronto	3,785
Vancouver	1,237
Victoria	320
Winnipeg	476

1. Ibid., Table IIB.

TABLE 23

URBAN TRANSPORT FORECASTS[1]

FORECASTS OF CAR OWNERSHIP AND CAR MILEAGE IN CANADA, 1970 TO 1980 (ECC Medium Population Forecast)[2]

	Estimates of Car Ownership per head	Total Car Population (millions)	Estimated Car Mileage (billions)	Rate of Increase over the Decade
1970	0.23 Quebec and Atlantic	7.0	67	
	0.37 Rest of Canada			60%
1980	0.38 Quebec and Atlantic	11.0	107	
	0.45 Rest of Canada			

TABLE 24

VEHICLE MILEAGE BY COMMERCIAL VEHICLES (Vehicle Mileage, Billions)

	Urban	Inter-City and Rural	Total
1970	4	13	17
1980	6	19	25

TABLE 25

ESTIMATES OF DEMAND FOR ROAD FACILITIES (Billions of Vehicle Miles per Annum)

	Urban		Rural	
Mode	1970	1980	1970	1980
Car	38	61	29	46
Truck	4	6	13	19
Bus	0.2	0.2	0.1	0.2
Other Road Vehicles	2	3	2	3
Total	44	70	44	68

1. Adapted from N.M. Lithwick, Urban Policy Paper, Chapter 14, "Urbanism in the Unconstrained Future: Problems and Prospects".

2. 1970 population 21.3 M
   1980 population 25.1 M

TABLE 26

AUTOMOBILE STOCK[1]
(in thousands)

	1966	1975	1980
Newfoundland.....	75	125	162
Maritime Provinces.....	346	495	568
Quebec.....	1,186	1,910	2,374
Ontario.....	2,235	3,144	3,624
Manitoba.....	270	370	412
Saskatchewan.....	273	360	420
Alberta.....	445	633	732
British Columbia.....	665	927	1,088
Yukon & N.W.T.....	6	13	24
Canada.....	5,498	7,977	9,371

[1] DBS The Motor Vehicle, Part III. NEB Staff Estimate

TABLE 27

PERSONS PER AUTOMOBILE[1]

	1966	1975	1980
Newfoundland.....	6.85	4.50	3.75
Maritime Provinces.....	4.28	3.15	2.82
Quebec.....	4.87	3.46	3.00
Ontario.....	3.11	2.67	2.57
Manitoba.....	3.57	2.82	2.65
Saskatchewan.....	3.50	2.80	2.64
Alberta.....	3.29	2.74	2.60
British Columbia.....	2.82	2.57	2.50
Yukon & N.W.T.....	6.72	4.40	3.70
Canada.....	3.64	2.93	2.72

[1] Tables "Population Estimates" and "Automobile Stock"

TABLE 28

PRIVATE AUTOMOBILES-FIRST CARS[1]
(in thousands)

	1966	1975	1980
Newfoundland.....	49	79	100
Maritime Provinces.....	247	310	333
Quebec.....	848	1,274	1,427
Ontario.....	1,458	1,807	2,038
Manitoba.....	191	231	246
Saskatchewan.....	199	239	250
Alberta.....	298	383	426
British Columbia.....	417	555	636
Yukon & N.W.T.....	4	7	10
Canada.....	3,711	4,885	5,466
% of Stock.....	67.5	61.2	58.3

[1]DBS Household Facilities and Equipment, NEB Staff Estimate.

TABLE 29

PRIVATE AUTOMOBILE-SECOND CARS[1]
(in thousands)

	1966	1975	1980
Newfoundland.....	6	16	24
Maritime Provinces.....	32	86	121
Quebec.....	86	247	472
Ontario.....	315	708	861
Manitoba.....	37	81	102
Saskatchewan.....	33	67	84
Alberta.....	66	135	173
British Columbia.....	123	198	247
Yukon & N.W.T.....	1	3	5
Canada.....	699	1,541	2,089
% of Stock.....	12.7	19.3	22.3

[1] DBS Household Facilities and Equipment. NEB Staff Estimate.

TABLE 30

DEMAND FOR ROAD INVESTMENT
IN CANADA
(1970 Prices, $ Billion)

	1970-1980	1980-1990	Total
Urban Investment	6	4	10
Expansion of inter-city arteries	4	3	7
Upgrading of rural road system	3	3	6
Total	13	10	23

TABLE 31

TOTAL DEMAND FOR HIGHWAY
EXPENDITURE 1970-1990
($ Billion, 1970 Prices)

Item	1970-1980	1980-1990	Total
Total investment demand	13	10	23
Demand for maintenance and administration	7	10	17
Total	20	20	40

TABLE 32

DEMAND FOR ROAD EXPENDITURE
IN URBAN AREAS, 1970-1990
($ Billion, 1970 Prices)

	1970-1980	1980-1990	Total
Urban investment demand	6	4	10
Demand for maintenance and administration in urban areas	2	3	5
Total	8	7	15

TABLE 33

RESIDENTIAL SPACE-HEATING ALLOCATION*, CANADA

	1966	1975	1980
Apartments --			
Coal.....	165.6	82.5	48.8
Oil.....	1,022.2	1,100.0	1,137.4
Gas.....	299.0	724.4	997.3
Electric.....	29.2	173.0	267.5
Total.....	1,516.0	2,079.9	2,451.0
Other Dwellings--			
Coal.....	96.8	25.8	3.9
Oil.....	2,041.4	2,084.2	2,086.4
Gas.....	1,070.2	1,536.1	1,826.9
Electric.....	56.8	243.9	365.9
Wood.....	331.8	219.6	165.6
Other.....	67.0	101.9	121.3
Total.....	3,664.0	4,211.5	4,570.0
All Dwellings--			
Coal.....	262.4	108.3	52.7
Oil.....	3,063.6	3,184.2	3,223.8
Gas.....	1,369.2	2,260.5	2,824.2
Electric.....	86.0	416.9	633.4
Wood.....	331.8	219.6	165.6
Other.....	67.0	101.9	121.3
Total.....	5,180.0	6,291.4	7,021.0
Distribution --%--			
Coal.....	5.1	1.7	0.8
Oil.....	59.1	50.7	45.9
Gas.....	26.4	35.9	40.2
Electric.....	1.7	6.6	9.0
Wood.....	6.4	3.5	2.4
Other.....	1.3	1.6	1.7

*Provincial or Regional data may not add due to rounding.

[1] NEB Staff Estimate

TABLE 34

RESIDENTIAL AND COMMERCIAL FUEL DEMAND, CANADA[1]
(in Btu 10^{12})

	1966	1975	1980
Residential			
Coal.....	37.2	14.7	6.3
Oil.....	440.1	460.4	467.6
Gas.....	211.2	329.5	403.5
Electric.....	4.9	23.8	35.8
Wood.....	62.8	41.4	31.3
Other.....	10.6	16.1	19.2
Total.....	766.8	885.9	963.7
Commercial			
Coal.....	36.0	12.7	5.5
Oil.....	304.1	373.4	416.3
Gas.....	99.8	200.1	264.6
Total.....	439.9	586.2	686.4
Residential & Commercial			
Coal.....	73.2	27.4	11.8
Oil.....	744.2	833.8	883.9
Gas.....	311.0	529.6	668.1
Electric.....	4.9	23.8	35.8
Wood.....	62.8	41.4	31.3
Other.....	10.6	16.1	19.2
Total.....	1,206.7	1,472.1	1,650.1
Commercial Demand Ratio - %.....	36.5	39.8	41.6

[1] NEB Staff Estimate

TABLE 35

RESIDENTIAL AND COMMERCIAL FUEL CONSUMPTION, CANADA[1]

	1966	1975	1980
COAL -- (MTons).....	2,800	1,038	451
OIL -- (MBbls.)			
Kerosene.....	16,941	15,870	15,340
Diesel.....	7,531	9,860	11,540
Light.....	72,193	80,400	84,540
Heavy.....	29,131	34,580	37,630
Total.....	125,796	140,710	149,050
OIL -- (Btu 10^{12})			
Kerosene.....	96.2	90.2	87.2
Diesel.....	44.0	57.5	67.3
Light.....	420.7	468.5	492.6
Heavy.....	183.3	217.6	236.8
Total.....	744.2	833.8	883.9
GAS -- (Bcf).....	311.0	529.6	668.1
ELECTRICITY* (GWH).....	1,487	6,945	10,506

* Residential space-heating only

[1] NEB Staff Estimate

TABLE 36

TRANSPORTATION FUEL CONSUMPTION, CANADA[1]

	1966	1975	1980
Automobile.....	99,085	146,620	173,510
Motor Gasoline.....	99,085	146,620	173,510
Commercial.....	41,881	62,410	78,220
Motor Gasoline.....	37,057	55,490	69,780
Diesel Fuel.....	4,824	6,920	8,440
Rail.....	11,307	15,590	18,660
Diesel Fuel.....	11,307	15,590	18,660
Marine.....	16,309	21,670	25,390
Diesel Fuel.....	5,009	7,980	10,250
Heavy Fuel.....	11,300	13,690	15,140
Aviation.....	11,840	25,780	39,720
Aviation Gasoline....	1,773	1,440	1,290
Turbo Fuel.....	10,067	24,340	38,430
Total Oil.....	180,422	272,070	335,500
Total Coal (M Tons).....	556	180	80
		(in Btu 10^{12})	
Motor Gasoline.....	710.9	1,055.5	1,270.3
Diesel Fuel.....	122.5	177.1	216.4
Heavy Fuel.....	71.2	86.2	95.2
Aviation Gasoline.....	9.0	7.5	6.7
Turbo Fuel.....	54.4	131.9	208.1
Total.....	968.0	1,458.2	1,796.7
Coal.....	13.5	4.7	2.1
Total Transport.....	981.5	1,462.9	1,798.8

[1] DBS Refined Petroleum Products, Vol.II, NEB Staff Estimate

TABLE 37

ELECTRICITY DEMAND AND SUPPLY, CANADA[1]
(in GWH)

	1966	1975	1980
Resid. & Comm.....	55,765	101,525	138,808
Industrial.....	88,234	146,259	189,874
Total Net Use.....	143,999	247,784	328,682
Exports.....	4,397	1,000	1,000
Imports.....	3,218	-	-
Losses&Unaccounted.....	12,957	22,449	29,908
Required Generation.....	158,135	271,233	359,590
Industries.....	32,137	33,836	34,730
Hydro.....	27,966	28,706	29,206
Thermal.....	4,171	5,130	5,524
Net Generation			
Utilities.....	125,998	237,397	324,860
Hydro.....	101,868	162,640	186,244
Thermal.....	24,130	74,757	138,616
Nuclear.....	161	17,150	38,150
Oil.....	2,886	4,594	10,567
Natural Gas.....	5,229	5,980	9,436
Coal.....	15,854	47,033	80,463
Net Transfers.....	-	-	-
Fuel Use - Utilities			
Bituminous (M Tons).....	5,069	13,052	21,747
Sub-bituminous (M Tons).	1,725	6,490	10,340
Lignite (M Tons).....	1,085	3,661	8,220
Diesel fuel (MBbls).....	939	1,130	1,436
Light fuel (MBbls).....	200	564	633
Heavy fuel (MBbls).....	4,845	6,753	17,452
Natural Gas (MMcf).....	64,274	86,668	133,658
Uranium (Tons U_3O_8).....	3	343	763

[1] DBS Electric Power Statistics, Vol. II.

TABLE 38

ESTIMATED INSTALLED GENERATING CAPACITIES[1]
BY PROVINCE
(in MW)

	1966	1975	1980
Newfoundland (including Labrador.....	544	5,300	6,900
P.E.I.....	58	100	150
Nova Scotia.....	626	1,080	1,400
New Brunswick.....	679	1,220	1,700
Quebec.....	10,566	13,000	17,200
Ontario.....	8,790	19,100	25,500
Manitoba.....	1,363	2,200	2,900
Saskatchewan.....	996	2,400	3,400
Alberta.....	1,491	3,300	4,900
British Columbia.....	3,741	7,200	9,900
Yukon & N.W.T.....	79	140	190
Total Canada.....	28,933	55,040	74,140

[1] 1966 DBS Electric Power Statistics.
Estimated capacities for 1975 and later based on peak load estimates with allowances for reserve generation requirements.

TABLE 39

EMISSIONS IN THOUSANDS OF TONS DUE TO FOSSIL FUELS
1966-1990

Source	Carbon Monoxide	Oxides of Sulphur	Carbon Dioxide
Residential & Commercial	75.3	973.9	82,664.9
Industrial	351.7	1,029.0	68,725.0
Transportation	8,460.5	199.8	71,702.9
Electricity Generation	1.7	332.6	20,790.0
Totals	8,889.2	2,535.3	243,882.8
Percentage Total Without CO_2	57.8	16.6	
1975			
Residential & Commercial	32.0	989.9	100,999.2
Industrial	332.8	1,154.1	98,393.6
Transportation	12,446.0	346.9	109,293.5
Electricity Generation	4.8	803.5	49,320.0
Totals	12,815.6	3,294.4	358,006.3
1990			
Residential & Commercial	7.3	1,122.8	142,888.2
Industrial	377.5	1,650.1	173,392.3
Transportation	20,853.8	922.4	208,930.9
Electricity Generation	11.2	1,403.5	127,500.0
Totals	21,249.8	5,098.8	652,711.4

TABLE 40

URBAN WASTE DISPOSAL FORECASTS

PROJECTED URBAN EXPENDITURES
ON SOLID WASTE TREATMENT
(Millions of Constant Dollars)

	Annual Operations & Maintenance Land Fill or Incineration				Incineration		
	Low	#/Capita	High	% Treated	Annual Capital Investment	Annual O & M	Total
1971	241.8	4.6	246.1	25.0	14.0	23.0	37.0
1981	344.7	5.6	368.8	50.0	27.2	69.0	96.2

TABLE 41

ANNUAL EXPENDITURE FOR MUNICIPAL
WASTE WATER POLLUTION ABATEMENT UNDER
ALTERNATE ASSUMPTIONS: 1966 - 1981
(Millions of 1967 Dollars)

			Secondary		
Period		Primary	N-10	N-20	N-35
1966	O & M	8.8	19.7	19.7	19.7
	Total Annual	22.9	52.9	52.9	52.9
1971		8.2	52.6	43.7	39.9
		19.9	141.1	117.3	107.1
1976		7.5	69.6	70.5	62.6
		17.3	186.9	189.4	167.9
1981		6.9	89.6	101.4	88.8
		15.0	240.6	272.2	238.2

CHAPTER III. CAPITAL INVESTMENT PROJECTIONS 1971-1981

In this chapter, projections of national investment (capital expenditure) public and private, have been presented, based on survey figures compiled by Statistics Canada and the Department of Industry, Trade and Commerce. These are published in Public and Private Investment in Canada Outlook [Year]. (Catalogue No. 61-205) Before presenting the tables of projections, the chapter briefly discusses the alternative forecasting methodologies attempted.

The following items are included among the projections:

1. Total Capital Expenditures - National
2. Total Repair Expenditures - National
3. Total Capital and Repair Expenditures - National
4. Social Capital Expenditures
   (Includes housing; institutional services - churches, universities, schools, hospitals and others; government departments, government-owned enterprises, government-operated institution and housing; waterworks)
5. Housing Capital Expenditure
6. Housing Repair Expenditure
7. Housing - Total Capital and Repair Expenditure
8. Federal Government Capital Expenditure
9. Federal Government Repair Expenditure
10. Federal Government - Total Capital and Repair Expenditure
11. Provincial Governments Capital Expenditure
12. Provincial Governments Repair Expenditure
13. Provincial Governments - Total Capital and Repair Expenditure
14. Municipal Governments Capital Expenditure
15. Municipal Governments Repair Expenditure
16. Municipal Governments - Total Capital and Repair Exp.

FORECAST METHODOLOGY FOR NATIONAL INVESTMENT AND CMHC INDICATORS

Forecasting of economic and social phenomena is a highly complex task. To do a thorough job, the analyst must search for some natural growth constraints in the societal system in which he is interested. Once the growth trajectory of these underlying natural forces has been identified and mapped, then the analyst can connect this growth path to the variables that he wishes to analyse directly. In the highest form of forecasting it is necessary to describe a general system in which forces interact with one another, decisions are influenced by feedback of previous changes, and so on. The whole system works together to produce changes -- to expand or contract over time, to grow at different rates in different sectors. Clearly, this is a very complex problem, which if it were to be tackled in a general equilibrium analysis, would involve an enormous research input.

For instance, in the present case of attempting forecasts of sub-secors of capital expenditure, particularly as related to residential building activity and of CMHC investments, a very large model of the Canadian construction sector would be called for to achieve consistent interlocking forecasts. An econometric model of the type produced by L. B. Smith for RDX-1, Bank of Canada, or in his contribution[1] to N. H. Lithwick's study, gives the beginnings of an inter-connected economic framework through which spending, income and cost estimates of CMHC activity might be forecast. But Smith's models were not designed expressly for the type of forecasting problem that, for instance, has to embrace regional CMHC expenditure to 1981. To redesign these models and then relate them back to some natural exogeneous growth parameter which drives the construction market, such as net family formation or population growth, would involve immense expense and a long research lag. What can be done to overcome this problem and attempt reasonable forecasts?

To obtain reasonable forecasts with the minimum of expense and research lag we can adopt a partial systems analysis. On balance, this method is likely to show a much higher benefit-cost ratio than the general equilibrium system approach. The shortcomings of the simpler somewhat

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[1] "Housing in Canada", Research Monograph 2, Urban Canada Problems and Prospects, Ottawa, 1971, Parts III and IV.

more naive partial forecast approach are not so great that they are not greatly out-weighed by the costs of the elaborate econometric system forecast procedure. In this set of results we adopt a forecast technique which centres on a single equation temporal extrapolation method using a number of different model specifications. The choice of forecast model is based upon the applicaiton of several simple statistical criteria.

(1) How well does the model fit the data of the ninteen-sixties?

(2) How large is the implied forecast error?

(3) Does the model appear to be "on track" with recent data or is it veering off, suggesting persistent under or over estimates?

With these three yardsticks at hand, we tried three basic types of simple inter-temporal forecast models and have chosen the results which seem to us to best measure up. Within present constraints, all actual results given are linear regression. To summarize then, our approach is pragmatic and quite simple, but we do insist that our results more than satisfy the usual statistical conventions. For this reason we believe our results are valid and acceptable where indicated within the confines of the type of methodology which we are using.

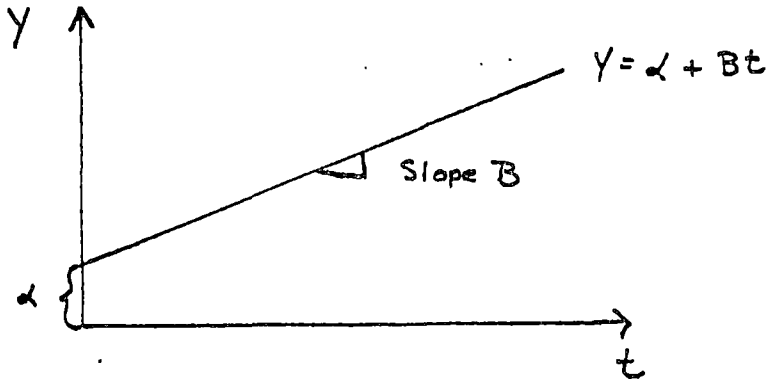
The three models attempted are as follows:

(1) <u>Linear Inter-temporal Forecast Model</u>

The basic assumption of this model is that the variable under forecast (Y) will expand along a straight line path of slope B, and intercept α, e.g., Total Canadian Capital Expenditures for social purposes. Thus we fit a regression plan of the form:

$$\text{(a)} \quad Y = \alpha + Bt + \epsilon$$

where Y is the value of the variable under forecast and t is time measured in years, e.g., 1961 = 1, 1962 = 2 etc., and ϵ is an error term. If we plot this function, we might get:-



(2) Polynomial Inter-Temporal Forecast Model

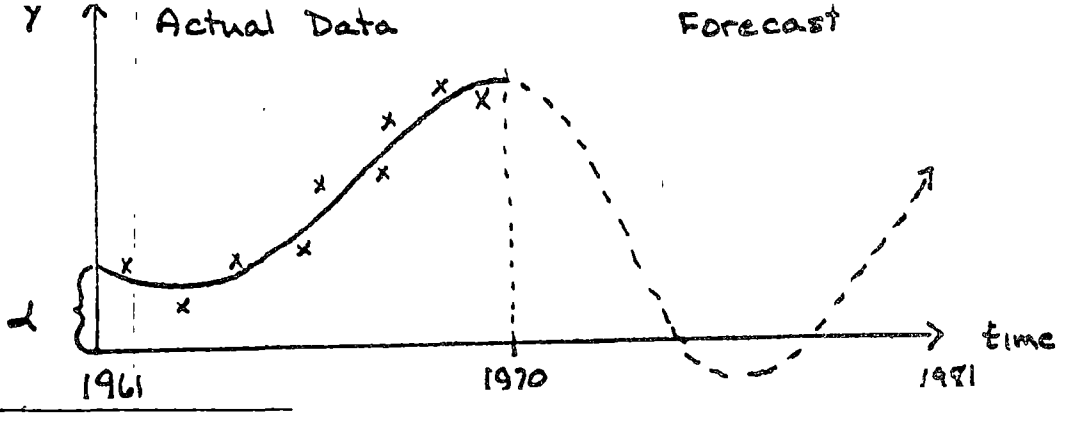
This model is a general case, of which model A is a sub-case. Compare equations (a) and (b):

(a) $Y = \alpha + Bt + \epsilon_a$

(b) $Y = \alpha + B_1 t + B_2 t^2 + B_3 t^3 \ldots B_n t^n + \epsilon_b$

Equation (b) is an n-th degree polynomial, but it is obvious that if the degree were only one, then specifications (a) and (b) would effectively co-incide.

The improtance of the polynomial form (b) is that it can fit, with a very high degree of precision, a series which describes a non-linear path over time. In our experiments, the highest degree polynomial used was three. Although the polynomial model has the capacity to produce precise results, it also has a very basic drawback. There are a large number of cases, even for second order equations, where the estimated model structure may imply a cyclical forecast.[1] As a result, an estimated polynomial can produce a wildly swinging forecast series particularly if the data to which it was fitted showed signs of reading an inflexion point. This argument is illustrated below:



1 This is the case for all such models with imaginary roots, and of some with negative roots. The cycles implied may be implosive or explosive.

Because some of the data dealt with in our forecasts was strung out over time in the manner illustrated in the left hand portion of the previous diagram, we were very wary in accepting polynomial results. In those cases in which polynomial results were presented, there is no hint of cycling. The results simply depict rather sophisticated non-linear growth.

(d) Exponential Inter-temporal Forecast Model

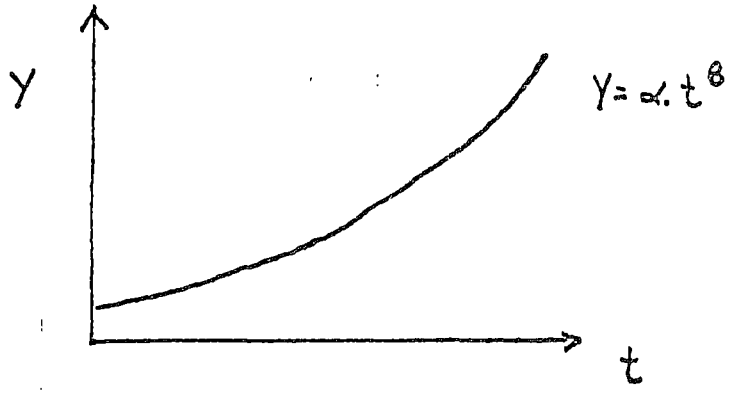
Unlike models A and B above, this model cannot be estimated from untransformed data. Instead of being basically additive in form, it is multiplicative. Therefore data must be converted into logarithms before the standard regression techniques can be applied. Our model is as follows:

(c) $Y = \alpha . t^{B} . \epsilon$

which becomes

(d) $\text{Log } Y = \log \alpha + B \text{ Log } t + \log \epsilon$

Upon retransformation, the results of such regression yield a curvilinear regression plane. An example is as follows:



This model has the convenient property that it can closely approach the case where the forecast series is growing at a constant percentage rate over time.

To briefly explain the notes at the bottom of each page, all data are presented as yearly totals from 1960 to 1970. Linear regressions were computed on this data base.

In all tables the intercept value is given as α, and the co-efficient as B. Y is the equation for computing the value for any given year with "t" being equal to zero in 1960. R values may range up to 1.0. The closer to 1.0 the value the better the fit of the estimated regression. The Standard Error of Estimate (S.E.E.) indicates the percentage variation up or down which might occur in any given year of the projections.

This introduction and the forecasts themselves were prepared by Elizabeth Hay, Concept Development Group, with assistance from K. A. J. Hay, Economics Department, Carleton University, who acted as consultant on the methodology for forecasts and interpretation of the results, and the Economics and Statistics Division, CMHC who processed the data.

CAPITAL EXPENDITURES - NATIONAL

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	8,262.0	7,213.96	1971	19,064.25
1961	8,109.0	8,291.25	1972	20,141.55
1962	8,715.0	9,368.56	1973	21,218.85
1963	9,393.0	10,445.86	1974	22,296.15
1964	10,827.0	11,523.16	1975	23,373.45
1965	12,865.0	12,600.45	1976	24,450.75
1966	15,090.0	13,677.75	1977	25,528.05
1967	15,322.0	14,755.06	1978	26,605.35
1968	15,455.0	15,832.36	1979	27,682,65
1969	16,927.0	16,909.65	1980	28,759.95
1970	17,640.0	17,986.95	1981	29,837.25

TOTAL 1972 - 1981 = 249,894.0

α = 7213.96

B = 1077.30

Y = 7213.96 + 1077.3t

Standard Error = 76.545

T Value = 14.075 T = 2.228 at 5% level, 10 D.F.

R = 0.978

NOTE: Very good predictor with high "t" and "r" values, well strung out residuals and S.E.E. of only 6%

TOTAL REPAIR EXPENDITURES - NATIONAL

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	2985	2680.0	1971	5736.9
1961	2986	2957.9	1972	6014.8
1962	3161	3235.8	1973	6292.7
1963	3356	3513.7	1974	6570.6
1964	3543	3791.6	1975	6848.5
1965	3927	4069.5	1976	7126.4
1966	4365	4347.4	1977	7404.3
1967	4700	4625.3	1978	7682.2
1968	5018	4903.2	1979	7960.1
1969	5263	5181.1	1980	8238.0
1970	5461	5459.0	1981	8515.9

TOTAL 1972 - 1981 = $72,653.5

α = 2680.046

B = 277.899

Y = 2680 + 2779t

Standard Error = 15.314

T Value = 18.147 T = 2.228 at 5% level, 10 D.F.

R = 0.987

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* S.E.E. = ± 4%, very significant "t", "r" indicates good fit.

TOTAL CAPITAL & REPAIR EXPENDITURES - NATIONAL

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	11,247.0	9,894.0	1971	24,801.2
1961	11,095.0	11,249.2	1972	26,158.5
1962	11,876.0	12,604.4	1973	27,513.7
1963	12,749.0	13,959.6	1974	28,868.9
1964	14,370.0	15,314.8	1975	30,224.1
1965	16,792.0	16,670.0	1976	31,579.3
1966	19,455.0	18,025.2	1977	32,934.5
1967	20,022.0	19,380.4	1978	34,289.7
1968	20,473.0	20,735.6	1979	35,644.9
1969	22,190.0	22,090.8	1980	37,000.1
1970	23,101.0	23,446.0	1981	38,355.3

TOTAL 1972 - 1981 = $322,569.0

α = 9894.00

B = 1355.2

Y = 9894.0 = 1355.2 t

Standard Error = 86.525

T Value = 15.663 T = 2.228 at 5% level, 10 D.F.

R = 0.982

NOTE: Standard Error of Estimate of approx. 16%. Good "t" and "r" values but might overestimate overtime.

SOCIAL CAPITAL
EXPENDITURES

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	3388.0	3027.5	1971	7310.85
1961	3405.0	3416.9	1972	7700.25
1962	3743.0	3806.3	1973	8089.65
1963	3930.0	4195.7	1974	8479.05
1964	4327.0	4585.1	1975	8868.45
1965	4928.0	4974.5	1976	9257.85
1966	5428.0	5363.9	1977	9647.25
1967	5718.0	5753.3	1978	10036.65
1968	6232.0	6142.7	1979	10426.05
1969	6850.0	6532.1	1980	10815.45
1970	6770.0	6921.5	1981	11204.85

TOTAL 1972 - 1981 = $94,525.5

α = 3027.45

B = 389.4

Y = 3027.45 + 389.4t

Standard Error = 20.37

T Value = 19.115 T = 2.228 at 5% level, 10 D.F.

R = 0.988

NOTES: Good fit with high "t" and "r" values. The Standard Error of Estimate within any year is only ± 5%

Residuals well strung out.

HOUSING CAPITAL EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	1456.0	1250.3	1971	3336.42
1961	1467.0	1440.0	1972	3526.04
1962	1587.0	1629.6	1973	3715.71
1963	1713.0	1819.3	1974	3905.36
1964	2028.0	2008.9	1975	4095.00
1965	2133.0	2198.5	1976	4284.66
1966	2181.0	2388.2	1977	4474.29
1967	2352.0	2577.8	1978	4663.94
1968	2806.0	2767.5	1979	4853.58
1969	3384.0	2957.1	1980	5043.23
1970	3077.0	3146.8	1981	5232.87

TOTAL 1972 - 1981 = $43,794.68

α = 1250.32

B = 189.65

Y = 1250.32 + 189.65t

Standard Error = 18.6

T Value = 10.18 T = 2.228 at 5% level with

R = 0.959 10 degrees of freedom

NOTE: A good fit with S.F.E. of only 4%. High "t" and "r" values -- good projection.

HOUSING REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	457	428.64	1971	895.44
1961	484	471.07	1972	937.88
1962	513	513.51	1973	980.32
1963	544	555.95	1974	1022.76
1964	577	598.38	1975	1065.20
1965	618	640.82	1976	1107.64
1966	661	683.25	1977	1150.08
1967	713	725.69	1978	1192.52
1968	780	768.13	1979	1234.96
1969	844	810.56	1980	1277.40
1970	858	853.00	1981	1319.84

TOTAL 1972 - 1981 = 11,288.6

α = 428.64

B = 42.44

Y = 428.64 + 42.44 t

Standard Error = 2.018

T Value = 21.026 T = 2.228 at 5% level, 10 D.F.

R = 0.990

NOTE: Extremely good fit. High "t", high "r", and S.E.E. of only 3% -- very good estimator.

HOUSING - TOTAL CAPITAL & REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	1913	1678.96	1971	4231.87
1961	1951	1911.04	1972	4463.97
1962	2100	2143.12	1973	4696.07
1963	2257	2375.20	1974	4928.17
1964	2605	2607.28	1975	5160.27
1965	2751	2839.36	1976	5392.37
1966	2842	3071.45	1977	5624.47
1967	3065	3303.53	1978	5856.57
1968	3586	3535.61	1979	6088.67
1969	4228	3767.69	1980	6320.77
1970	3935	3999.77	1981	6552.87

TOTAL 1972 - 1981 = 55,084.2

α = 1678.95

B = 232.08

Y = 1678.95 + 231.1 t

Standard Error = 20.305

T Value = 11.430 T = 2.228 at 5% level, 10 D.F.

R = 0.967

NOTE: Standard Error of Estimate of 7.5% -- a good "t" and "r" values, residual well spread out. Very good estimator.

FEDERAL GOVERNMENT

CAPITAL EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	353.7	357.20	1971	1104.78
1961	604.6	425.16	1972	1172.74
1962	331.4	493.12	1973	1240.70
1963	516.6	561.08	1974	1308.66
1964	543.2	629.05	1975	1376.62
1965	656.2	697.01	1976	1444.58
1966	922.5	764.97	1977	1512.54
1967	887.7	832.93	1978	1580.50
1968	904.0	900.90	1979	1648.46
1969	912.5	968.86	1980	1716.42
1970	1034.7	1036.82	1981	1784.38

TOTAL 1972 - 1981 = 14785.6

α = 357.20

B = 67.96

Y = 357.20 + 68t

Standard Error = 10.070

T Value = 6.749 T = 2.228 at 5% level, 10D.F.

R = 0.914

NOTE: Standard Error of Estimate of 15% -- a good predictor

FEDERAL GOVERNMENT

REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	88.8	173.06	1971	518.66
1961	320.3	204.47	1972	550.08
1962	89.0	235.89	1973	581.50
1963	319.0	267.31	1974	612.92
1964	350.1	298.73	1975	644.34
1965	364.7	330.15	1976	675.76
1966	386.4	361.56	1977	707.18
1967	416.0	392.98	1978	738.60
1968	411.9	424.40	1979	770.02
1969	444.8	455.82	1980	801.44
1970	440.6	487.24	1981	832.86

TOTAL 1972 - 1981 = 6,914.7

α = 173.05

B = 31.42

Y = 173.05 - 31.4t

Standard Error = 7.261

T Value = 4.327 T = 2.228 at 5% level, 10 D.F.

R = 0.822

NOTE: Standard Error of Estimate of 23%. Only a fair fit:
- tends to overestimate
- should predict quite well in the long run

FEDERAL GOVERNMENT

TOTAL CAPITAL AND REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	442.5	529.16	1971	1626.35
1961	924.9	628.90	1972	1726.09
1962	420.4	728.65	1973	1825.83
1963	835.6	828.39	1974	1925.57
1964	893.3	928.14	1975	2025.31
1965	1020.9	1027.88	1976	2125.05
1966	1308.9	1127.63	1977	2224.79
1967	1303.7	1227.37	1978	2324.53
1968	1315.9	1327.14	1979	2424.27
1969	1357.3	1426.86	1980	2524.01
1970	1483.3	1526.61	1981	2623.75

TOTAL 1972 - 1981 = 21,749.2

α = 529.16

B = 99.74

Y = 529 + 99.7t

Standard Error = 15.472

T Value = 6.447 T = 2.228 at 5% level, 10 D.F.

R = 0.907

NOTE: Good fit. S.E.E. of only 9% with high "t" and "r" values.

PROVINCIAL GOVERNMENTS

CAPITAL EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	1124.7	966.22	1971	3007.83
1961	1107.2	1151.82	1972	3193.43
1962	1196.0	1337.42	1973	3379.03
1963	1320.7	1523.02	1974	3564.63
1964	1584.0	1708.63	1975	3750.23
1965	1953.4	1894.23	1976	3935.83
1966	2363.7	2079.83	1977	4121.43
1967	2561.7	2265.43	1978	4307.03
1968	2413.2	2451.03	1979	4492.63
1969	2504.4	2636.63	1980	4678.23
1970	2707.5	2822.23	1981	4863.83

TOTAL 1972 + 1981 = 40,286.30

α = 966.22

B = 185.60

Y = 966.2 + 185.6t

Standard Error = 17.62

T Value = 10.53 T = 2.228 at 5% level, 10 D.F.

R = 0.962

NOTES: Good fit. S.E.E. of 10%. Good "t" and "r" values. -- good estimator in the long run but not for any particular year.

PROVINCIAL GOVERNMENTS

REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	240.9	196.84	1971	532.56
1961	243.3	227.36	1972	563.08
1962	249.6	257.88	1973	593.60
1963	264.9	288.40	1974	624.12
1964	250.9	318.92	1975	654.64
1965	317.5	349.44	1976	685.16
1966	399.3	379.96	1977	715.68
1967	443.6	410.48	1978	746.20
1968	458.1	441.00	1979	776.72
1969	475.5	471.52	1980	807.24
1970	500.4	502.04	1981	837.76

TOTAL 1972 - 1981 = 7,004.2

α = 196.84

B = 30.52

Y = 196.8 + 30.5 t

Standard Error = 3.217

T Value = 9.488 T = 2.228 at 5% level, 10 D.F.

R = 0.953

NOTE: Good fit. S.E.E. of 10%

PROVINCIAL GOVERNMENTS

TOTAL CAPITAL & REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	1365.6	1163.06	1971	3540.38
1961	1350.5	1379.18	1972	3756.50
1962	1445.6	1595.30	1973	3972.62
1963	1585.6	1811.42	1974	4188.74
1964	1834.9	2027.54	1975	4404.86
1965	2270.9	2243.66	1976	4620.98
1966	2763.0	2459.78	1977	4837.10
1967	3005.3	2675.90	1978	5053.22
1968	2871.3	2892.02	1979	5269.34
1969	2979.9	3108.14	1980	5485.46
1970	3207.9	3324.26	1981	5701.58

TOTAL 1972 - 1981 = 47,290.4

α = 1163.06

B = 215.12

Y = 1163.1 + 216.1t

Standard Error = 19.69

T Value = 10.97 T = 2.228 at 5% level,10D.F.

R = 0.965

NOTE: Good fit; S.E.E. of only 9% with high "t" and "r" values

MUNICIPAL GOVERNMENTS

CAPITAL EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	757.0	759.97	1971	1746.34
1961	771.0	849.64	1972	1836.01
1962	947.5	939.31	1973	1925.68
1963	1051.7	1028.98	1974	2015.35
1964	1010.9	1118.65	1975	2105.02
1965	1278.2	1208.32	1976	2194.69
1966	1462.4	1297.99	1977	2284.36
1967	1457.0	1387.66	1978	2374.03
1968	1479.4	1477.33	1979	2463.70
1969	1506.5	1567.00	1980	2553.37
1970	1569.7	1656.67	1981	2643.04

TOTAL 1972 - 1981 = 22,395.3

α = 759.967

B = 89.666

Y = 759.97 + 89.67t

Standard Error = 8.186

T Value = 10.954 T = 2.228 at 5% level,10D.F.

R = 0.964

NOTE; Good fit. High "t" and "r" values. S.E.E. of only 7%.

MUNCIPAL GOVERNMENTS

REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	217.5	204.63	1971	325.52
1961	218.9	215.62	1972	336.51
1962	237.3	226.61	1973	347.50
1963	227.8	237.60	1974	358.49
1964	238.3	248.59	1975	369.48
1965	231.5	259.58	1976	380.47
1966	255.5	270.57	1977	391.46
1967	291.2	281.56	1978	402.45
1968	328.2	292.55	1979	413.44
1969	290.6	303.54	1980	424.43
1970	318.6	314.53	1981	435.42

TOTAL 1972 - 1981 = 3,859.65

α = 204.63

B = 10.99

Y = 204.6 + 11t

Standard Error = 1.757

T Value = 6.256 T = 2.228 at 5% level, 10D.F.

R = 0.902

NOTE: Good fit. S.E.E. of 7%

MUNICIPAL GOVERNMENTS

TOTAL CAPITAL & REPAIR EXPENDITURE

($ Millions)

YEAR	Y OBSERVED	Y ESTIMATED	YEAR	Y PROJECTED
1960	974.5	964.6	1971	2071.8
1961	989.9	1065.3	1972	2172.5
1962	1184.8	1165.9	1973	2273.2
1963	1279.5	1266.6	1974	2373.8
1964	1249.2	1367.3	1975	2474.5
1965	1509.7	1467.9	1976	2575.1
1966	1717.9	1568.5	1977	2675.8
1967	1748.2	1669.2	1978	2776.5
1968	1807.6	1769.9	1979	2877.1
1969	17 7.1	1870.5	1980	2977.8
1970	1888.3	1971.2	1981	3078.4

TOTAL 1972 - 1981 = $26,254.7

α = 964.59

B = 100.66

Y = 964.5a + 100.7t

Standard Error = 8.053

T Value = 12.499 T = 2.228 at 5% level, 10 D.F.

R = 0.972

NOTE: Standard Error of Estimate = 6%, significant "t" and "r" indicates good fit.

CHAPTER IV. POLICY IMPACT MATRIX

Basically the policy impact matrix is a tool for checking and discussing the effects of policy choices to be made, in immediate and longer term contexts. Various possible actions are considered as having either a positive, a negative, an uncertain or no effect on such major aspects of society as land price, the locus of decision control, and urban growth. Naturally, there are limitations in the method chosen -- but it is meant as a focus for debate, as a testing ground for philosophy, not as a hard "decision machine".

In the first part of the chapter all of the options are summarized as they appear down the left hand side of the chart. Then the different "effects" placed across the top of the chart are explained briefly. Taken together, effects and option choices can then be tested for "fit" with overall goals and values and for congruence with immediate decision priorities.

SUMMARY OF OPTIONS

LOW INCOME HOUSING

PUBLIC HOUSING

1. The Corporation would refrain from making any major policy or legislative change until policy on the program's future is formulated.

2. Discontinue the use of section 40 (previously 35A). Increase the ratio of subsidies under section 44 (formerly 35E) to 75/25. Provide professional/ technical services to provinces on request.

3. Section 40 (e.g. 35A) would be amended to provide 75% loans and 75% federal share of subsidies.

4. The Corporation would provide capital grants to provinces in lieu of operating subsidies.

5. The interest rate on the loan would be written down (including part of principal if required). The write-down would equate operating subsidies which would otherwise be provided.

ENTREPRENEUR AND L.D. HOUSING.

1. The Corporation would develop and impose environmental quality standards which would become a loan condition.

2. For projects constructed in accordance with minimum environmental standards, interest subsidies (lowering the interest rate below that of Section 15 or its equivalent) would be allowed during an initial period -- say five years -- possibly on a decreasing scale.

3. The current "mortgage out" feature of the program (15 years) would be extended to 20/25 years.

CO-OPERATIVE HOUSING.

1. The Corporation would continue considering co-operatives as a form of home ownership and would maintain the requirement that 80% of units be occupied by shareholders. Individual low income co-operative members benefit from the same advantage (e.g. assisted home ownership) as are available to other low income home owners.

2. The requirement that 80% of units be occupied by shareholders would be removed.

3. Cooperative ownership would be considered as a distinct form of tenure. In the case of low income groups, specific lending facilities with conditions similar to Section 16 loans would be made available, (i.e. lower interest rates, 50 year amortization, waiver of application and insurance fees).

4. Eliminate the equity requirement in cooperative low income projects where the cooperative's constitution prevents capital gain by shareholders at its termination.

NON-PROFIT HOUSING.

1. The equity requirement in non-profit low income housing projects would be eliminated.

2. The Corporation would provide a capital grant equal in amount to the equity or other capital funds contributed to the project by the sponsor, province or municipality. The grant would be written off the loan amount and limited to 10% of the cost of the project.

ASSISTED HOME OWNERSHIP.

1. Direct action by the Corporation. Such a program would simply supplement existing direct lending techniques. The minimum qualifying income GDS limits would be lowered by a reduction in interest rates as required to the CMHC borrowing rate. The program would be expandable through further reductions in the minimum interest rate to 5%, 3% or 0%. Mortgages could be discounted and sold to approved lenders.

2. Several of the Provinces have already taken direct action to assist home ownership. British Columbia makesgrants to home owners; Alberta and Quebec make a 2% interest rate rebatement; and Ontario dispose of serviced lots under leasehold tenure at favourable terms. These various programs could be amplified and supported by Federal sharing in these costs on a bulk accounting basis.

3. Encourage loans on shell housing, self help and cooperatives. By policy, mortgages would be open-ended and advances would be made on the basis of work-in-place.

MOBILE HOMES.

1. The present policy of experimentation would be continued until the result of experimental projects are known. The development of mobile homes would thus be considered as an evolutionary process best supported under current programs.

2. The mobile home would be formally and publicly recognized as a house for NHA lending purposes provided it is located on an appropriate site and meets NHA minimum standards. The Corporation would insure approved lenders' loans, make direct loans and adapts its appraisal, inspection and advancing techniques.

3. CMHC would provide loans to private industry, similar to that provided government bodies, for land assembly and for the development of properly designed subdivisions which can accommodate the mobile home.

4. The Corporation would finance mobile homes under chattel mortgages, independently from the mobile home park.

SENIOR CITIZENS' HOUSING.

1. The Corporation would continue its existing program, with greater emphasis on:

   a) Design guidelines, and quality of the output.

   b) Greater participation by the elderly in the design, management and administration of projects.

2. In addition to financing housing projects (option 1), CMHC would recognize that the provision of facilities and services is an integral part of the shelter package, would participate with other federal departments and government levels and would finance the construction or renovation of community facilities and service centres.

STUDENT HOUSING.

1. CMHC would continue the present program under Section 47 (36B) with about the same level of commitment until the federal task force on education has completed its report.

2. CMHC would withhold its support until the federal task force on education has completed its report.

3. CMHC would have a major responsibility in student housing and would develop a new program for students who would be considered a special group.

4. CMHC would consider students as another low income group and include student housing support in its overall low income housing program.

RURAL HOUSING.

1. Maintain present position.

2. CMHC would initiate a small high level interdepartmental steering committee to develop a coordinated and integrated federal policy for the rural poor. This steering committee would encourage existing general farm organizations to take rural housing into their terms of reference as a particular project so that they could reflect the views, needs and aspirations of the rural community. Thus, the steering committee could arrange closer contact with the rural poor and develop more appropriate policy.

3. CMHC would fund essential improvements in Rural Housing on an agency loan basis through Chartered Banks and Credit Unions. The rate of interest to be charged would relate to income of borrower similar to the home owner assisted program.

4. CMHC would provide home improvement loans plus grants based on income as part of an overall provincially assisted rural/outlying area improvement program.

5. CMHC would fund and promote an across the country program of pilot projects of new housing for rural and outlying areas and their service centres. The object would be to develop and test building, planning, loan and credit criteria relating and best suited to the life-style and environment of the various regions.

6. CMHC would fund projects on the basis of actual use rather than on the basis of proposed use. Agreement can be reached with the province and municipality for the Corporation to initially finance or insure a specific number of modest housing units. These units would be offered for sale by the builder at an agreed price. The units not sold after three months could be acquired by an entrepreneur or non-profit organization and rented at Section 16 rentals. The balance, if any, could be used as public housing.

NATIVE PEOPLE'S HOUSING

1. Native peoples housing will be considered a regular part of the low income housing picture with no special provisions made for it.

2. Native peoples housing will be considered a completely separate question, for which a completely different set of policies and implementation structures would be created.

3. Native peoples housing would be a special thrust added to the low income housing sector, by adding provisions to allow for the particular nature of the native housing question.

RESIDENTIAL REHABILITATION

1. Pilot/Demonstration. Under this option the program would be limited to a series of pilot and/or demonstration projects in a selection of large, medium and small urban areas, as well as rural areas.

2. Universal distribution. Rehabilitation assistance would be available in all parts of the country.

3. Universal/Priority. Under this option, rehabilitation assistance would be generally available throughout the country but certain areas would be excluded. Such exclusion would most usually be based on evidence of lack of confidence. If this option is taken, special exceptions would have to be made in the case of rural areas unless they are to be placed at a disadvantage.

URBAN ASSISTANCE POLICY

REPLACEMENT FOR URBAN RENEWAL

1. Statutory Limitation on Urban Renewal

This is a legal formality to repeal those sections of the act under which no further commitments will be made.

2. Community Assistance Program

This involves a program directed to the conservation and improvement of both stable and transitional in-city neighbourhoods, and small communities. It would seek to rehabilitate dwellings, services, and commercial concerns in stable areas, and to provide a higher standard of amenities and community facilities. In more stable neighbourhoods and communities, the focus would be on conservation. In "transitional" areas it would be on maintenance of basic services and reduction of social costs. Federal assistance would be available for the program which will operate on the basis of a minimum common program of planning and action set by the municipalities and residents jointly. The program would be administered by the provinces, implemented by the municipalities and citizens and monitored and reviewed annually by the Federal Government.

3. Non- Residential Area Revitalization Program

A pilot program of loans to municipalities for 90% of the cost of acquiring, and clearing or rehabilitating/converting critical non-residential sites, and for relocating former occupants, is proposed. Federal contributions to the cost of preparing plans for the improvement of non-residential areas and to assist with employee adjustment grants could also be made. Re-use of suitable cleared sites for parks and other amenities, for public facilities and for low income housing would be encouraged by a forgiveness of 25% of the loan amount expended on such items. The loan term would be 20 years with the possibility of a ten-year extension at CMHC discretion.

4. Urban Amenities Program

A pilot program to support 25% of the cost of planning and implementing urban amenities is proposed. A program of short term (10 years) loans for improvement of commercial facades would be offered. The long-term strategy associated with this program is one of building the provision of amenities into urban redevelopment processes.

PROGRAMS FOR NEW URBAN GROWTH

1. Urban Regional Planning Assistance

A program directed to the encouragement of dynamic, future-oriented urban region plans, directed primarily to the 26 metropolitan and major urban areas outside of DREE jurisdiction is proposed. The Federal contribution to the support of such plans would cover the cost of the provincial or regional government process of plan development -- public hearings, futures workshops, etc. Federal support for pilot projects in inter-governmental co-operation on a 100% basis and Federal funds and research resources to study urban region "guidance" systems would also be offered.

2. New Community Development Planning Assistance

It is proposed that the Federal Government share the cost of developing new community plans with provincial, regional or new community agencies. Such support would normally be provided in the context of an urban region plan and on condition that public control over the process of development be retained and on condition that residents of the locality affected and to the maximum extent possible, the residents of the new community be involved in the planning process. Up to 100% of the planning costs for northern new communities would be provided to development agencies and a program of comparative research on new communities initiated with Federal funds.

3. New Community Land and Servicing Program

A pilot program of loans for public new community development is proposed to support examples of socially and economically viable growth points and to test organizational managerial, and design concepts in real life circumstances. For such communities, 100% loans would be provided to provinces or new community development agencies for land acquisition and servicing. One half of the cost of land used for public buildings, open space, and transit facilities would be forgiven. Loans would also be provided for up to 100% of the cost of acquiring and preparing corridors of land to be used for rapid transit links.

PROGRAMS FOR GOVERNMENTAL INNOVATION

1. Urban Management and Manpower Assistance

   It is proposed that a program directed to the support of increased local capabilities and leading to new concepts of "urban guidance" by all levels of government, be adopted. This would include provision of resources for urban management research, reviews of local government needs, university chairs of urban management, etc. - all with provincial approval and/or active support.

2. Municipal Research and Development Assistance

   This program is proposed to increase our level of knowledge about urban problem-solving, to increase the research and evaluative capabilities of local governments, particularly in regard to NHA programs. It specifically includes aid for local R & D projects, selected on the basis of an understanding of both local and national priorities. Results would be nationally published and distributed and periodic conferences on municipal R & D problems and methods sponsored. The program funds would be provided both to individual municipalities and to municipal associations.

3. Urban Demonstration Program

   This program is proposed both to "kick off" new urban assistance measures and to provide a basis for co-ordination of Federal urban resources to some defined objectives for at least a limited period of time. It is envisaged that an "opportunities for neighbourhoods" operation would be mounted for 1972 only. This would be followed by a co-ordinated interdepartmental approach to several agreed upon urban centres or subsystems, e.g., the improvement of public transportation in 1973-74. Provincial and municipal approval and involvement would be solicited.

4. National Urban Information Systems

   It is proposed that Federal initiative be taken to bring together the concerned interests, to secure agreement on a user-oriented national reference system and a series of pilot local systems. Federal efforts to improve the relevance of Federally generated urban data and information could also be initiated.

INFRASTRUCTURE

SEWAGE TREATMENT PROGRAM

1. Emphasis on Environmental Program now, Urban Orientation deferred

   This option would not introduce a major re-orientation because of current national emphasis on pollution-abatement and consequent heavy demands on national capital. The program would retain its residual and responsive role while the government attempted to clean up a large part of the environment. CMHC would continue to accept priorities for spending as established elsewhere, and increased budget allocations would be sought only in response to additional Department of Environment Program needs.

2. Urban Orientation Now, Parallel with the Environmental Program

   This option takes the position that the re-orientation of the Sewage Treatment Program, from an anti-pollution to a directive urban/housing policy support role, should begin now. It recognizes the necessity to take action in concert with an appropriate Land Assembly policy in order to meet the projected needs of urban growth and housing over the next decade. It also maintains that to secure maximum benefit from funds committed, Federal involvement must become less responsive and more directive.

LAND ASSEMBLY

1. Immediate Full Scale Intervention

   - Public land banking, tax tools, expropriation tools and transfer payments to force price stabilization.

2. Policy Directed At Medium Sized Cities

   - Public land banking in medium sized cities to force price stabilization.

3. Residual Functions Only

   - Land Assembly to operate where market does not operate.

4. Phased Policy Leading to Public Dominance

   - Use public land banking to stabilize price after building information, education and planning base.

5. Federal financial support to private land development.

SOCIAL DEVELOPMENT PROGRAMS

DAY CARE

1. A. Continue responding under present NHA;

   B. Facilitate access to information about existing programs;

   C. Participate in the formulation of a co-ordinated Federal policy.

2. Expand the Corporation's day care program to serve both housing projects and existing communities. At the same time, CMHC will participate on the interdepartmental committee on Day Care to ensure that there is congruence between the developing federal policy and CMHC's expanded program.

AID TO CITIZEN GROUPS

1. The development of a CMHC support policy for citizen groups while continuing to seek the development of a co-ordinated federal policy. A support policy will be developed through research, the initiation of on-going activity in areas where knowledge is already available and through assistance for new activities on an experimental basis. This process will allow CMHC to gain valuable information both for its own use in developing an expanded program and as a contribution to the formulation of a co-ordinated federal policy.

RESEARCH AND DEVELOPMENT

1. Retreat-Absorptive Role - This future has CMHC withdrawing completely or almost completely from conducting or supporting R & D activities. It conceives of the Corporation making use of research and development done elsewhere, to the extent that it is aware of such work. The Urban Secretariat has the sole or major responsibility in the Ministry for providing the research base for policy and program and the Corporation functions as an implementation mechanism.

2. Laissez-Faire - Adaptive - CMHC funds research under Part V and continues its fellowship, study grants, and institutional support activities along the same lines as at present. It emphasizes directed research, however, in place of the current responsive mode. It channels its research efforts into areas which assume priority from time to time and findings are made available upon request. Research is conducted primarily through external agents by means of grants and R & D activities are controlled centrally with all proposals approved by senior management.

3. Expanded - Pre-emptive - CMHC attempts to build a widespread network of R & D relationships in the fields of housing and planning with the academic community, with other agencies and other levels of government, with industry and with community groups; the main thrust is in directed applied research. CMHC develops long and short-term R & D objectives in precise terms and communicates these to all interested parties. In-house research is conducted and CMHC contracts external work; all research results are shared and their use and application actively promoted. CMHC provides for evaluation studies for all new projects undertaken and evaluates existing policies and programs. There is a central coordinating mechanism to plan and use research findings.

A SUMMARY DESCRIPTION OF THE EFFECTS CATEGORIES

It is necessary to begin the description of the effects categories by specifying that they are not purely objective. Most have a value connotation which allows one to immediately determine the nature of the impact of a policy at any point of intersection.

Land

* Land price stable -- a stabilization of the end price of a serviced lot.

* Land supply up -- increasing the volume of serviced land available for building on.

Housing Stock

* Quantity -- increasing the stock

* Quality -- the upgrading or improvement in present stock.

Borrowing Capability Up

Refers to change in the mortgage procedure as it relates to either eligibility or equity requirements such that additional groups can avail themselves of mortgages. It implies only legal or administrative changes.

Access Up

Refers to increased access to home ownership or rental accommodation by low-income families, native people or special groups. This increase results from either better subsidy, better borrowing capability, a higher level of government investment or a combination of the preceeding.

Level of Subsidy to

* Low Income Families

* Native Peoples

* Special Groups

Refers to the amount of money the government is prepared to give away in order to either reinforce the disposable income of these groups or to purchase necessary goods and services for them. The assumption is that they are presently ineffective consumers whose buying power must be reinforced. The effect refers to any additional support to be given beyond that which is provided now.

Tenure

Refers to the form of tenure or occupancy which is encouraged.

* Rental

* Ownership

Decision Control by

* Federal

* Provincial

* Municipal

* Local/Neighbourhood

Articulates where the key decisions are made to implement or operate a particular policy or program. Also reflects where needs are defined and the program is tuned in order to make it specifically relevant to these needs.

Citizen Participation

The process of allowing, encouraging or facilitating the meaningful involvement of citizens in determining their own future.

Out of High Cost Systems

An action which tends to reduce the high capital or maintenance cost of a physical or technological system. Included in such a positive change would be altering the unidimensional, specific need focus of such a system and adapting it to other additional uses.

Planning Capability

The planning jurisdiction is broken into:

* Urban Regional

* Urban

Refers to upgrading the capability of other levels of government to plan urban environments. The effect is concerned with the provisions of tools, mechanisms or levers which will be a positive addition to this process.

City Growth

Identifies the demographic growth trend in three general categories of cities.

* Mega down (Megalopoli down) -- Refers to Montreal Region, Toronto centred region and Vancouver centred region including the accessible Fraser Valley. The assumption is that a decrease in the growth trend is desirable.

* Medium up -- Refers to cities of less than 60,000, to 800,000. The assumption is that an increase in their size is desirable.

* Small up -- Refers to cities of less than 60,000. The assumption is that an increase in their size is desirable.

Rural Areas and Communities

* Improvement In -- Refers to a process by which the basic physical and socio-economic structure of a community is reinforced. No comment is made on whether this is improvement in their own terms, or if it is imposed as a necessary concommitant of eco/technological momentum.

* Growth -- Refers to a process by which the rural centre or area is encouraged to grow economically, physically and socio-culturally. No comment is made on whether that growth is on its own terms or if it is imposed as a necessary concommitant of eco/technological momentum.

Environmental Concern

An action which tends to reduce pollution or interference with the ecological system. The action is seen as qualitative.

Health Quality

The physical and mental well-being of an individual because he has access to both basic good clean shelter and the environment.

Social Stability

A societal or group condition which arises from the recognition of the citizens that their needs are being seriously addressed.

Condition of Deteriorating and Transitional Areas

Refers to the quality of the environment both social and physical in these areas. A transitional area is that part of a city which is undergoing redevelopment which change will change its characteristics. The change implies dislocation of inhabitants.

A deteriorating neighbourhood is one whose physical environment is of low quality due to lack of investment in the area.

Experimentation

The process of developing and testing new ideas and alternative approaches or methods of doing things in order to achieve a better product or result.

IV. INDICATORS OF NEED AND POTENTIAL PROGRAM IMPACT

On a number of occasions during the discussion of the policy options for 1972, the Minister has asked that as much as possible by way of "hard information" be provided in order to provide indications of the magnitude of problems we face and the potential impact that the various program proposals can have on these problems. On what items can we advance? On which problems can we merely "hold the line"? Where are there going to be actual reversals in progress previously made unless we act now?

The present chapter is not the most complete or definitive response to this question. It is a collection of what facts, figures, and projections are presently available. It is subject to supplementation and correction as the process of policy development advances.

A. LOW INCOME HOUSING

In 1967, there were 5.4 million households in Canada, of which an estimated 2.2 million were "low income". Of the households composed of single individuals, 44% were earning under $2000 per annum. 40% of the families were earning under $6,000 a year.

The following additional measures of the incidence of low income, the requirements for low income housing, and the potential financial implications of the latter have been provided in the tables below:

1. Most Recent Measure of Incidence of Low Income in Canada

2. Estimated Unmet Housing Stock Requirements for Low-Income Households, 1981

3. Priority Groups for Low-Income Housing

4. Selected Statistics of low-income and other families classified by size of place of residence, 1967.

5. Households by Income Class - 1981

6. Estimated numbers of persons and children under 16 in low-income family units by province, 1967

TABLE 1.

MOST RECENT MEASURE OF INCIDENCE OF LOW INCOME IN CANADA

Poverty rates by family unit size, 1969

Family unit size	Senate Committee poverty line income	Number of family units below poverty line (Total: 2,767,000)	Number of individuals below poverty line (Total: 5,135,000)	Poverty rate
	$	(thousands)	(thousands)	%
1	2,140	629	629	38.7
2	3,570	408	816	28.4
3	4,290	161	483	16.8
4	5,000	157	628	15.6
6.2	6,570	416	2,579	28.5

TABLE 2. Estimated Unmet Housing Stock Requirements For Low Income Households, 1981 (all figures in thousands)

	Existing Housing Stock Gap		
	Low	Middle	High
New Unmet Housing Stock Requirements (1972-81)	Est. 223	Est. 325	Est. 428
Optimistic View -91	132	234	337
Modest View 0	223	325	428
Pessimistic View 350	573	675	778

TABLE 3.

PRIORITY GROUPS FOR LOW INCOME HOUSING

- 0.6 million rural residents;
- 0.6 million elderly;
- 0.5 million single individuals;
- 0.2 million residents of the Atlantic provinces;
- 0.2 million single parent families;
- 0.2 million large families having four or more children;
- 0.3 million social welfare recipients;
- 0.1 million native people; and
- 0.5 million working poor.

After eliminating double counting, we find that these nine groups constitute a total of 1.9 million people, or 35 per cent of all households.

TABLE 4

Selected statistics of low-income and other families classified by size of place of residence, 1967

Size of place of residence	Families	Average family income	Average transfer payments received	Average size of family	Average number of children under 16 years	Home-owners*	Families with female head†
Low-income families	(thousands)	$		(persons)		%	
Metropolitan centres:							
500,000+	149	2,438	884	3.5	1.4	36.9	24.1
100,000 – 499,999	101	2,474	889	3.7	1.6	46.8	27.2
30,000 - 99,999	40	2,497	979	3.3	1.3	45.7	25.6
Other Cities:							
15,000 – 29,999	48	2,530	942	3.9	1.7	64.4	19.0
Small urban areas	119	2,521	1,057	3.7	1.5	71.4	15.1
Rural areas	375	2,392	747	4.3	1.9	90.7	5.9
Totals	832	2,442	851	3.9	1.7	69.3	14.8
Other families							
Metropolitan centres:							
500,000+	1,305	9,638	327	3.8	1.3	57.1	6.8
100,000 – 499,999	856	8,910	360	3.9	1.4	67.2	6.9
30,000 – 99,999	288	8,644	351	4.0	1.5	68.7	4.5
Other Cities:							
15,000 – 29,999	259	8,210	367	4.1	1.6	68.8	5.2
Small urban areas	426	7,915	437	4.1	1.6	73.5	5.6
Rural areas	551	7,460	487	4.5	1.8	85.4	3.3
Totals	3,686	8,766	376	4.0	1.5	67.3	5.9

*Proportion of families who own their home.
†Proportion of families with female heads.

SOURCE: D.B.S., *Statistics on Low Income in Canada, 1967* (Cat. No. 13-536), Table 8.

TABLE 5 HOUSEHOLDS BY INCOME CLASS -- [illegible]

LOCALITY	Under $1000	$ 1000 - 2000	$ 2000 - 3000	$ 3000 - 4000	$ 4000 - 5000	$5000 - 6000
	Percentage Distribution					
CANADA	.02	.91	3.74	6.92	9.60	9.79
MARITIMES	.17	3.74	10.09	13.51	13.66	12.12
QUEBEC	.03	1.48	5.87	10.03	11.96	11.94
ONTARIO	.00	.33	1.95	4.49	6.71	8.20
PRAIRIES	.01	.58	2.99	6.18	8.94	9.70
B.C.	.01	.44	2.47	5.42	7.43	9.15
	Number of Households					
CANADA	1,790	74,670	307,130	567,520	788,180	802,990
MARITIMES	920	20,250	54,650	73,170	73,980	65,640
QUEBEC	650	32,120	127,380	217,650	259,530	259,100
ONTARIO	0	10,640	62,860	144,740	216,240	264,340
PRAIRIES	120	7,010	36,140	74,700	104,710	117,240
B.C.	100	4,650	26,100	57,260	82,720	96,670

Continued...

TABLE 5 cont'd HOUSEHOLDS BY INCOME CLASS -- 1981

LOCALITY	$ 6000 - 7000	$7000 - 10000	$ 10000 - 15000	$ 15000 --20000	$ 20000 - 25000	$ 25000 +
	Percentage Distribution					
CANADA	9.62	23.71	21.36	8.61	3.49	2.79
MARITIMES	10.06	19.27	12.10	3.48	1.11	.63
QUEBEC	10.82	23.21	16.63	5.23	1.73	1.07
ONTARIO	8.75	24.12	24.99	11.26	4.90	4.27
PRAIRIES	9.77	24.62	22.41	8.92	3.53	2.74
B.C.	9.45	24.72	23.61	9.78	3.98	3.14
	Number of Households					
CANADA	789,270	1,944,340	1,752,310	706,470	286,230	229,600
MARITIMES	54,480	104,370	65,530	18,850	6,010	3,750
QUEBEC	234,790	503,660	360,870	113,490	37,540	23,220
ONTARIO	282,070	777,560	805,600	362,990	157,960	136,700
PRAIRIES	118,090	297,580	270,870	107,820	42,670	33,750
B.C.	99,840	261,170	249,440	103,320	42,050	33,130

Source: Anh, Table 11-D.

TABLE 6

Estimated numbers of persons and children under 16 in low-income family units by province, 1967

Province	Number of persons in low income family units	Distribution	Number of children under 16 in low-income family units	Distribution
	(thousands)	%	(thousands)	%
Newfoundland	197	5.1	90	6.4
Prince Edward Island	54	1.4	20	1.5
Nova Scotia	223	5.8	87	6.2
New Brunswick	188	4.9	81	5.8
Quebec	1,232	31.9	486	34.6
Ontario	902	23.3	298	21.3
Manitoba	204	5.3	72	5.1
Saskatchewan	253	6.5	82	5.9
Alberta	299	7.7	99	7.1
British Columbia	312	8.1	85	6.1
Canada	3,863	100.0	1,404	100.0

SOURCE: D.B.S., *Statistics on Low Income in Canada, 1967* (Cat. No. 13-536), Statement C.

TABLE 7

Selected statistics of low-income families classified by region of residence, 1967

Region of Residence	Total low-income families	Average family income	Average family size
	(thousands)	$	
Atlantic Provinces	132	2,655	4.5
Quebec	248	2,627	4.3
Ontario	203	2,310	3.6
Prairie Provinces	175	2,188	3.7
British Columbia	73	2,400	3.2
Canada	832	2,442	3.9

SOURCE: D.B.S., *Statistics on Low Income in Canada, 1967* (Cat. No. 13-536), Table 5.

TABLE 8

PATTERN OF EXPENDITURES AND FINANCES, ALL FAMILIES AND INDIVIDUALS -- 1967

	1st Quintile < $4,000	2nd Quintile $4-6,000	3rd Quintile $6-8,000	4th Quintile $8-10,000	5th Quintile > $10,000	Total
Percentage of Family Units: %	18.3	17.9	22.0	15.2	26.6	100.0
Average Family Size: No.	1.8	2.9	3.5	3.9	4.1	3.3
Average Age of Head: Years	58.0	43.9	42.2	40.0	45.1	45.8
Families with Children Under 16: %	14.8	45.7	59.1	66.0	58.0	49.0
Families with Persons Over 65: %	45.7	15.1	10.2	7.0	11.0	18.0
Average Number of Earners: No.	0.5	1.1	1.4	1.8	2.0	1.4
Incidence of Homeownership: %	39.0	32.6	45.4	55.0	73.0	50.0

Continued...

TABLE 8 (Continued)

	1st Quintile <$4,000	2nd Quintile $4-6,000	3rd Quintile $6-8,000	4th Quintile $8-10,000	5th Quintile >$10,000	Total
Shelter Expenditure: $	752	1,035	1,244	1,399	1,803	1,273
Shelter as % of Income: %	31	21	18	16	13	16
Rental Expenditure: $	885	1,093	1,238	1,350	1,720	1,221
Rental as % of Income: %	35	22	18	15	12	15
Ownership Expenditure: $	672	940	1,133	1,247	1,506	1,210
Ownership as % of Income: %	27	19	16	14	10	15
Income: $	2,450	5,027	6,982	8,920	14,288	8,172
Net Change in Assets and Liabilities: $	-198	-157	+317	+211	+1,507	+419

Note: Ownership and rental expenditures have been reweighted here to represent averages over owners or renters taken separately. These figures include expenditure for fuel, light and water, as do the figures for all shelter.
Source: DBS 62-530, Urban Family Expenditure, 1967 (Ottawa: DBS, 1971).

TABLE 9

SHELTER EXPENDITURE BY QUINTILE GROUPS FOR ALL CANADA

		SHELTER % of Income	RENTAL % of Income	OWNERSHIP % of Income
ALL FAMILIES AND INDIVIDUALS				
Bottom Quintile	(<$4,000)	31	35	27
Bottom Two Quintile	(<$6,000)	24	26	21
Top Quintile	(>$10000)	13	12	10
Average		16	15	15
ALL FAMILIES				
Bottom Quintile	(<$4,000)	27	30	24
Bottom Two Quintile	(<$6,000)	24	26	21
Top Quintile	(>$10000)	12	12	10
Average		15	14	14

TABLE 10

HOUSING CONDITIONS OF NATIVE PEOPLE

PRESENT POPULATION:	Status Indians	251,431
	Metis	270,775
	Eskimo	16,819
INCOME:	78% - less than $3000/year/family	
	40% on welfare	
	Seasonal employment	
	Average income $2000	
HOUSING CONDITIONS:	90% of Metis housing needs total replacement or major repairs	

PRESENT HOUSING:

1. For Indians - DIAND - 9000 new homes in last 5 yrs.
   CMHC(59) 900 new homes in last 5 yrs.
2. Housing in North predominantly for Eskimos
   - DIAND - 2300 homes
3. Housing for Metis
   - no specific federal programs
   - provincial programs
     - 375 in 6 years

TABLE 10 cont'd

TO CLOSE HOUSING GAP BY 1981

	NEW HOUSING NEEDED	REHABILITATION NEEDED
ESKIMOS	800	0
METIS -Fringe Areas	18,000	4,000
-White Communities	4,500	12,000
INDIAN	9,000	10,300
TOTAL	32,300	26,300
NEW FAMILY CREATION	23,000	3,200
TOTAL NEED 1981	55,300	29,500

TABLE 11

HOUSEHOLD FACILITIES OF HOUSEHOLDS BY SELECTED QUINTILE GROUPS

PERSONS 65 YEARS AND OLDER - 1967

	NO. OF HOUSEHOLDS 000's	AGE OF DWELLINGS Pre 1940 %	1960+ %	WITHOUT WATER %	WITHOUT TOILET %	WITHOUT FURNACE %
INDIVIDUALS						
Bottom Quin. (<$1,000)	42.7	68	13	17	14	38
Bottom 2 Quin (<$2,000)	209.8	62	14	13	17	44
Top Quin. (>$5,000)	19.1	49	28	10	11	18
AVERAGE	301.8	60	15	11	13	35
FAMILIES						
Bottom Quin (<$4,000)	296.1	60	11	8	10	36
Bottom 2 Quin. (<$6,000)	408.4	58	11	7	9	33
Top Quin. (>$10000)	59.7	56	15	0.2	0.1	14
AVERAGE	558.3	57	17	6	7	29
MULTI-UNIT						
AVERAGE	63.0	72	6	3	4	18

TABLE 12

SHELTER EXPENDITURES OF THE ELDERLY BY INCOME CLASS -- 1967

Income Class	Family Units in Class	Average Income	Average Shelter Expenditure	Shelter as % of Income
	%	$	$	%
Under $2,500	39	1,638	707	43
$2,500-3,000	14	2,731	767	28
(Under $3,000)	(53)	(1,904)	(712)	(37)
$3,000-4,000	12	3,476	1,167	33
$4,000-5,000	8	4,442	990	22
$5,000-6,000	5	5,502	1,179	21
$6,000-7,000	3	6,538	1,046	16
$7,000-8,000	6	7,535	1,148	15
$8,000-10,000	4	9,053	1,293	14
Over $10,000	10	16,673	1,641	10
Average	100	4,830	959	20

Source: DBS, unpub. Urban Family Expenditures, 1967, Tables 90-92.

TABLE 13

PRIMARY NON-FAMILY HOUSEHOLDS
(000's)
65 years of age and over in single detached units*
(June, 1969)

PROVINCE	NUMBER
Newfoundland	3.3
Prince Edward Island	2.0
Nova Scotia	10.5
New Brunswick	7.7
Quebec	15.2
Ontario	49.1
Manitoba	9.8
Saskatchewan	11.9
Alberta	26.0
British Columbia	21.8

* Estimates prepared for Policy Planning Division by Educational and Economic Systems, Inc.

Housing for senior citizens also involves a significant stock adjustment problem. The available data show large numbers of single detached units occupied by the elderly, units which would be potentially available for family accommodation should good alternative housing for senior citizens become available.

INDICATORS OF REHABILITATION NEEDS

TABLE 14A

	Lacking a Bath or Shower, 1961	Lacking a Furnace, 1961
Canada	1,042,000	1,482,000
Owned	741,000	907,000
Rented	301,000	575,000
Rural	682,000	824,000
Owned	572,000	598,000
Rented	110,000	226,000
Urban	360,000	757,000
Owned	169,000	309,000
Rented	191,000	348,000

TABLE 14 B

Distribution by Tenure

Large cities	Survey Percent Renters	Population Percent Renters
Ottawa	96.5	50.9
Toronto	91.7	33.5
Winnipeg	98.3	36.7
Edmonton	81.3	39.2
Vancouver	88.3	37.0
Halifax-Dartmouth	67.6	34.4
Other:		
Alberta	53.0	18.1
N.S.	49.3	11.7

TABLE 14C

Large Cities	Percent of Dwelling Units Without Bath or Shower, 1961		Rating of Interior			
	Survey	Pop.	0	2-4 minor	5-9 major	10 or more, extensive
Ottawa	10.7	6.0	55.4	19.0	18.6	6.6
Toronto	28.7	1.2	54.9	23.2	14.6	7.3
Winnipeg	34.0	4.3	43.4	24.2	22.6	9.8
Edmonton	14.6	3.2	62.6	12.2	17.1	8.1
Vancouver	16.0	1.6	62.8	14.3	15.1	7.8
Large Urban	24.2	1.4	-	-	-	-
Other:						
Alberta	70.7	13.8	40.0	16.9	26.7	16.4
N.S.	47.2	24.4	33.8	13.5	41.4	11.3

TABLE 15.

COST OF REHABILITATION SUBSIDIES AND WORKS IN MONTREAL AS AT THE 31ST JULY 1971

The total amount committed by the city for subsidies amounts to $807,887.04 namely:

$402,039.14 for rehabilitation ($539. on the average per housing unit);

$273,605 for demolition-reconstruction ($746 on the average per housing unit);

$132,242.90 for demolition-clearance ($218 on the average per demolished housing unit);

It is interesting to note the equities of the owners, directly generated by these subsidies: works in the order of $5,006,000. have been undertaken, namely:

$1,488,000. in rehabilitation;

$3,343,000. in demolition-reconstruction

$175,000. in demolition-clearance;

In other words, each dollar ($1.00) granted in subsidy has produced seven dollars ($7.00) of works.

In other respects, for the 4,000 housing units rehabilitated without a subsidy from the city, the cost of works is estimated at approximately $4,000,000.

TABLE 16.

Effects on employment: Montreal Rehabilitation

In a general way, jobs created in the field of construction may be estimated as follows:

Cost of works	Type of works	Jobs created
$1,000,000.00	General construction	100 jobs/year
$1,000,000.00	Major rehabilitation	150 jobs/year
$1,000,000.00	Minor rehabilitation	170 jobs/year

TABLE 17

Annual Per/Unit Capital Requirements For Public Housing, Given Varying Rates of Increase In Residential Construction Costs, 1972 - 1981

TABLE A-1

1972 Construction Cost per Dwelling Unit	Annual Rates of Increase in Residential Construction Costs (%)					
	Year	0	3	5	6	8
$14,000	1972	14,000	14,000	14,000	14,000	14,000
	1973	14,000	14,420	14,700	14,840	15,120
	1974	14,000	14,853	15,435	15,730	16,329
	1975	14,000	15,298	16,206	16,674	17,636
	1976	14,000	15,757	17,017	17,674	19,047
	1977	14,000	16,230	17,868	18,735	20,570
	1978	14,000	16,717	18,761	19,860	22,216
	1979	14,000	17,218	19,700	21,050	23,996
	1980	14,000	17,734	20,684	22,313	25,916
	1981	14,000	18,267	21,718	23,652	27,990
$17,000	1972	17,000	17,000	17,000	17,000	17,000
	1973	17,000	17,510	17,850	18,020	18,360
	1974	17,000	18,035	18,743	19,101	19,829
	1975	17,000	18,576	19,680	20,247	21,415
	1976	17,000	19,134	20,664	21,462	23,128
	1977	17,000	19,708	21,697	22,749	24,978
	1978	17,000	20,298	22,782	24,114	26,977
	1979	17,000	20,907	23,921	25,560	29,135
	1980	17,000	21,534	25,117	27,095	31,466
	1981	17,000	22,180	26,373	28,720	33,983

Annual Capital Requirements for 50,000 Public Housing Units Built Per Year, Given Varying Annual Rates of Increase in Residential Construction Costs, 1972-81
(millions of $)

TABLE A-2

1972 Construction Cost per Dwelling Unit	Annual Rates of Increase in Residential Construction Costs (%)				
	Year	0	3	5	6	8
$14,000	1972	700	700	700	700	700
	1973	700	721	735	742	756
	1974	700	743	772	787	816
	1975	700	765	810	834	881
	1976	700	788	851	884	952
	1977	700	811	893	937	1,028
	1978	700	836	938	993	1,111
	1979	700	861	985	1,053	1,199
	1980	700	887	1,034	1,116	1,296
	1981	700	913	1,086	1,183	1,400
$17,000	1972	850	850	850	850	850
	1973	850	875	893	901	918
	1974	850	902	937	955	991
	1975	850	929	984	1,012	1,071
	1976	850	957	1,033	1,073	1,156
	1977	850	985	1,085	1,137	1,249
	1978	850	1,015	1,139	1,206	1,349
	1979	850	1,045	1,196	1,278	1,457
	1980	850	1,077	1,256	1,355	1,573
	1981	850	1,109	1,319	1,436	1,700

TABLE 19

ESTIMATED FEDERAL SUBSIDIES:[1]

1971-1980

	SECTION 40		SECTION 44		TOTAL	
	Units U/A	($000)	Units U/A	($000)	Units U/A	($000)
1971	15,056	11,274	35,298	19,484	50,354	30,758
1972	16,652	13,355	52,985	33,552	69,637	46,907
1973	18,302	15,557	73,905	49,610	92,207	65,167
174	19,952	17,977	93,405	66,455	113,375	84,432
1975	21,602	20,630	111,405	84,008	123,007	104,638
1976	23,252	23,531	129,405	103,406	152,657	126,937
1977	24,902	26,720	147,405	124,881	172,307	151,601
1978	26,552	30,190	165,405	148,467	191,957	178,657
1979	28,202	33,983	183,405	174,550	211,607	208,533
1980	29,852	38,121	201,405	203,161	231,257	241,282

1. Projections prepared by Economics and Statistics and Urban Renewal and Public Housing Division

B. URBAN ASSISTANCE

The needs for and potential impact of the urban assistance proposals geared to planning improvement, growth decentralization, and institutional innovation can be inferred from the overall urban forecasts provided in Chapter II. Here we have illustrated the potential of the Community Assistance Program by giving the results of a preliminary survey of neighbourhoods across Canada.

A SURVEY OF POTENTIAL AREAS FOR THE COMMUNITY ASSISTANCE PROGRAM[1].

VANCOUVER

False Creek - Fairview Slopes: population of 3,300, mixed residential-industrial, 140 acre area. Citizen group is the Fairview Ratepayers Association.

Kitsilano - Central West Side: population of 20,000, mixed residential-commercial, citizen group is the Kitsilano Area Resources Council

Adanac Park: 82 single family residential units, 58 acres, considerable vacant land which can be put to use, present plan calls for mixed residential, commercial and park use, citizen group is the Hastings Sunrise Action Council.

Grandview - Woodland: active area resource council.

CALGARY

Inglewood - Ramsay: strong community group in this area already working with professional, technical consultants.

Victoria Park: future of this area is uncertain, strong community association in conflict with city and Calgary Stampede Board which wants to expand into the area. Meets all criteria for program.

EDMONTON

Canora: meets all program criteria; strong community association is developing

Westmound: area generally meets criteria as outlined.

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1. Information supplied by Social Development Division, Head office, CMHC.

WINNIPEG

North Pt. Douglas: two citizen groups in this area. Ideal for rehabilitation program.

Urban Renewal Area No. 2: variety of community groups at work in this area. Ideal area for community assistance. This is area of greatest need in Winnipeg.

TORONTO

East of Don River - South of Danforth: present citizens group is the Riverdale Community Organization with representation from several smaller groups.

Hamilton - Broadview - Gerrard - Queen St.: East Toronto Social Planning Council is interested in promoting community involvement in planning in this area.

Don Vale: Don Vale Residents Association and Don Vale Property Owners Association are two area citizen groups.

Sherbourne - Dundas - Queen St.: In this area, Don West Neighbours Housing is a group interested in purchasing existing houses for rehabilitation and rent on a non-profit basis.

The Beaches Area: citizen group is Forward Nine interested in rehabilitation and stabilization of area.

Centre City: Holy Trinity Church has an organized citizens group.

Grange Area: Grange Park Residents Association is local citizen group.

Beverly and McCaul: Chinese Community Group is active.

West of Spadina - Kensington Market Area: citizens group is the Kensington Area Residents Assocation.

West of Bathurst at Queen St.: Citizens group is Niagara Residents Association.

Queen St. and Lansdowne: Lansdowne Save Our Neighbourhood Association.

Parkdale Area: three citizen groups active here

Quebec and Gothic: Quebec-Gothic Residents Association. Area under high redevelopment pressures.

South of St. Clair: Italian community development group interested in promoting rehabilitation.

LONDON

Wellington - Horton St. to Thames River: Rehabilitation planning well under way in this area. Community is organized and working with the city on proposals.

North Central District: also has active citizens group.

OSHAWA

Area Adjacent to C.B.D.:

Area Immediately South of Hwy. 401: both above areas have been identified in urban renewal studies as deteriorating neighbourhoods. No active citizen groups as yet.

THUNDER BAY

Fort William Ward: May and Cumings St.: residents group is East End Neighbourhood Association. Has gained some experience through Opportunities for Youth Program.

SAULT STE. MARIE

One mile from C.B.D. in West End: an older residential and commercial area suitable for a community assistance program. No organized community group at present.

Bridge Plaza: 6-8 blocks of older residential sites. No organized group as yet.

HAMILTON

Former Urban Renewal Area North East of C.B.D.: Citizen group is the Victoria Park Community Organization. City has recently initiated a series of six neighbourhood improvement studies.

HESPELER

Area Adjacent to C.B.D.: some residents have already undertaken rehabilitaiton. This interest would likely revive with program such as Community Assistance.

ST. CATHARINES

Several Areas designated by urban renewal study could also be used for rehabilitation aid. Citizens Advisory committee formed during urban renewal era.

NIAGARA FALLS

Older residential area designated in urban renewal scheme. No organized citizens group exists as yet but municipal officials have expressed interest in promoting citizen interest and involvement.

WINDSOR

Large, mixed commercial-residential area surrounding C.B.D.

Drouillard Road Area: There are three organized citizens groups in Windsor who might form the nucleus of a community assistance program; the Downtown Citizens Association; the East Windsor Citizens Association; and the West Windsor Citizens Association.

OTTAWA

Lower Town East: Urban renewal area - some citizen action

Mechanicsville: A survey of the area for improvement purposes has been done

Dalhousie Ward

The city is conducting a series of public involvement sessions to develop neighbourhood plans with area residents across central city, beginning with Sandy Hill.

For the following cities and neighbourhoods, the preliminary assessment of the situation was not available.

MONTREAL

District of Hochelaga-Maisonneuve

Centre-Sud (Terrasse Ontario)

Mille-End

Pointe St-Charles

Plateau Mont-Royal

Villeray

VERDUN

LACHINE

QUEBEC

- Aire #10
- Paroisse St-Jean Baptiste

TROIS RIVIERES

- Secteur St.-Francois

HULL

- Ile de Hull

ST-JEROME

ST-HYACINTHE

SOREL

GRANBY

LACHUTE

MANIWAKI

SHAWINIGAN

CAMPBELLTON

- St. Albert

ST. JOHN

- South End

HALIFAX

- Kline Heights
- North End

SYDNEY

- Whitney Pier

YARMOUTH

- South Renewal

CHARLOTTETOWN

- Downtown Area

CORNERBROOK

- West

ST. JOHN'S

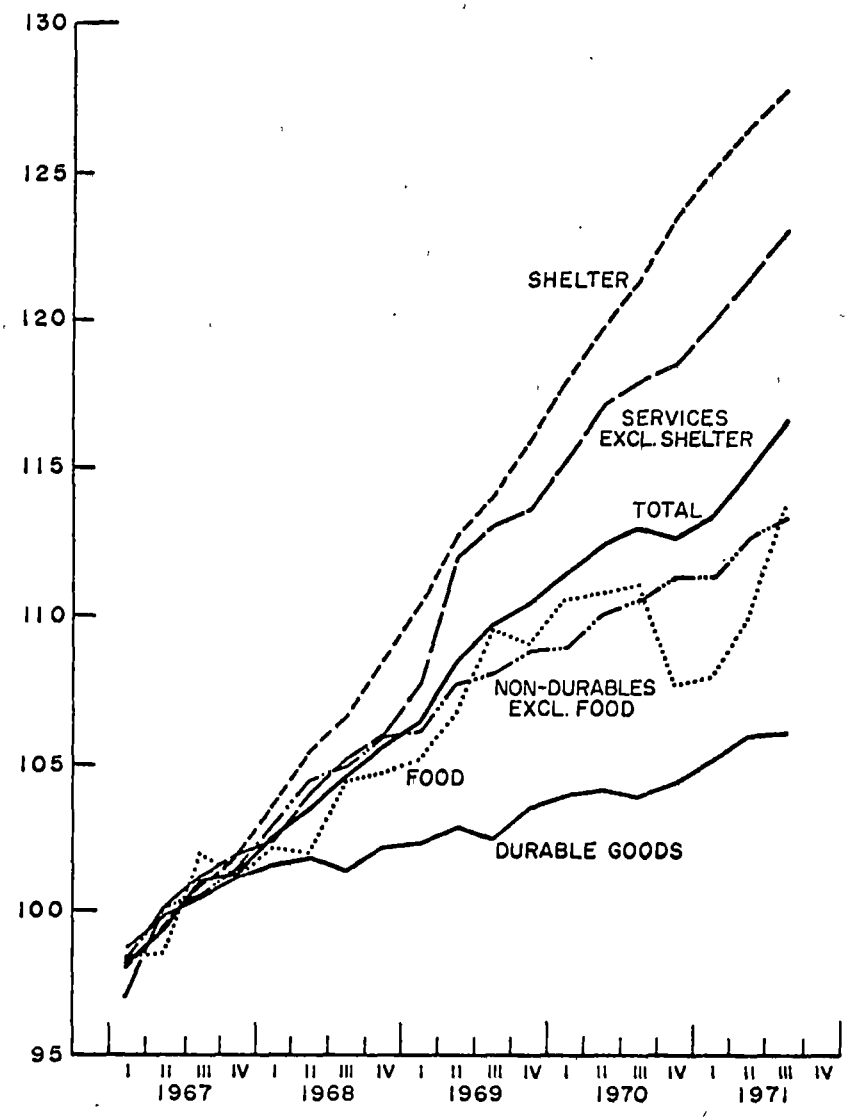
- Blackhead Road
- Mundy Pond

C. LAND AND INFRASTRUCTURE

As was the case with the urban assistance measures, the substantial requirements for public intervention to control urban growth can be inferred from the forecasts of the decade. Indeed land requirements and cost projections are included among them. But land and servicing are also a "collector" of the kinds of low income housing investments envisaged in point A of this Chapter.

Here we have reproduced only the recent Consumer Price Index which suggests that shelter costs top the list of items subject to inflationary pressures.

CONSUMER PRICE INDEXES
(Quarterly, 1967=100)



Source: Based on data from Statistics Canada.

D. SOCIAL DEVELOPMENT: DAY CARE

THE MAGNITUDE OF THE PROBLEM

In 1967, 167,000 of the 1,075,000 children of working mothers did not require arrangements for their care as their mothers either were able to work only while their children were in school, or were able to have their children with them by the nature of their employment as boarding or lodging housekeepers, babysitters or foster mothers, usually within their own homes.[1] In 1967, there were 908,000 children of full and part-time working mothers requiring child care.

A. Child-Care Arrangements[1]

The arrangements for the 908,000 children requiring Day Care broke down as follows:

- ten percent had no regular arrangements for their care
- sixty-four percent were cared for in their own home.
- fifteen percent were cared for outside their home.[1]

There are no statistics on children of non-working

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[1]Source: Canada. Department of Labour Women's Bureau, "Working Mothers and their Child Care Arrangements, Ottawa, Queen's Printer, 1970, from table 23 p. 4.

mothers requiring care.

B. Type of Arrangement

The majority of arrangements fall in the "baby-sitting" category. Only one percent of children are cared for in the day nurseries or nursery schools; some of them have programs geared to developmental needs.

- the arrangements made for child care vary with the age and school attendance of the child.
  - twenty-eight percent of children under three were cared for outside the home compared to eight percent of children aged six to thirteen.
  - one percent of children under three were cared for in day nurseries or nursery schools compared to three percent of children aged three to five.
  - fifteen percent of children under six were cared for by a non-relative outside the home compared to five percent of children aged six to thirteen.

C. Cost of Arrangements

- Sixty-nine percent of working mothers had their children in unpaid care arrangements. These are often informal arrangements, eg. with a neighbour or relative.
- Twenty percent paid less than $15. per week.
- Twelve percent paid over $15. per week.

There is some association between paid and unpaid care and mothers' earnings.

- In 1967, the median annual incomes of working mothers was $1,783 where the husband was

present and $2,856 where he was absent.[1]

- eighty-one percent of children whose mothers earned under $1,000 were in unpaid care situations compared to sixty-four percent of children with mothers earning $4,000 and over.

- care by a non-relative in or outside the home was used more often for children with higher income mothers (twenty-nine percent of those earning over $4,000) than for children with lower income mothers (thirteen percent of those earning under $1,000).

This information points out that the limited supply of paid care arrangements puts their price out of the range of many low income mothers.

- there is a positive association between cost of child care and mothers' weekly earnings.

  - eight percent of mothers earning under $25 a week pay for care compared to forty-five percent of mothers earning over $55 a week.

D. Conclusion

The limited supply of existing day nurseries and the cost of alternative arrangements restricts the availability of day care for low income users. Child care facilities are required for children of low income parents, both in terms of existing and projected need. It is estimated that preschool child care arrangements for all income groups are required in the near future for 450,000 children; 130,000 places for the under three age group and 325,000 for those aged 3 - 6.[1]

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[1] Source: Canada. Department of Labour, Women's Bureau, Working Mothers and Their Child Care Arrangements. Ottawa, Queen's Printer 1970, from tables 23 and 28.

E. REGIONAL DEVELOPMENT

The housing programs sponsored under the National Housing Act make both direct and indirect contributions to Canada's five major regions - directly by supporting conscious attempts to build up certain areas and indirectly by providing an "attraction" factor for migrants and in other ways.

To place housing in the broadest regional development context, the following tables have been provided:

1. Private and Public Investment by Region 1952 to 1971
2. New Private and Public Investment Expenditures Excluding Housing, By Region
3. Changes in Private and Public Investment, Canada and by Region
4. Value of Retail Trade, Canada and by Region, 1947 to 1971
5. Proportion of Housing Investment to total investment (Provincial)
6. Proportion of Provincial Housing Investment to total National Investment in Housing
7. Indication of Financial Impact: NHA Provision in Urban Areas 1970-1971
8. Single detached dwelling starts financed under NHA
9. Per capital dollar value of NHA financing

PRIVATE AND PUBLIC INVESTMENT BY REGION

1952 to 1971

Years	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Atlantic Region	Quebec
			(Millions of dollars)			
1952	86	17	133	104	340	1,283
1953	80	18	157	108	363	1,374
1954	73	19	156	119	367	1,362
1955	89	21	164	168	442	1,546
1956	94	24	183	186	487	1,851
1957	100	22	188	159	469	2,029
1958	107	30	185	182	504	2,054
1959	115	37	226	203	581	2,091
1960	146	37	234	180	597	2,007
1961	181	38	224	171	617	2,098
1962	261	43	223	179	706	2,151
1963	236	43	234	189	702	2,301
1964	231	39	270	257	797	2,828
1965	228	57	318	334	937	3,206
1966	341	57	412	391	1,201	3,416
1967	359	45	463	377	1,244	3,244
1968	387	41	461	330	1,219	3,175
1969	395	44	552	392	1,383	3,376
1970	512	54	575	451	1,595	3,388
1971	565	64	585	477	1,691	3,833

	Ontario	Manitoba	Saskatchewan	Alberta	Prairie Region	British Columbia[a]
			(Millions of dollars)			
1952	1,899	242	313	602	1,157	601
1953	2,106	286	357	730	1,373	626
1954	2,089	270	377	627	1,274	533
1955	2,271	301	349	735	1,385	707
1956	2,812	364	465	901	1,730	1,089
1957	3,266	371	455	834	1,660	1,293
1958	3,101	409	477	890	1,776	925
1959	2,900	484	467	947	1,898	944
1960	2,856	487	474	946	1,907	895
1961	2,794	417	451	981	1,852	901
1962	3,054	424	513	937	1,874	927
1963	3,282	491	603	995	2,089	1,019
1964	3,747	528	648	1,100	2,276	1,296
1965	4,379	537	773	1,320	2,630	1,713
1966	5,261	656	928	1,564	3,118	2,034
1967	5,357	719	964	1,675	3,358	2,149
1968	5,579	820	943	1,723	3,486	1,996
1969	6,307	901	755	1,914	3,570	2,291
1970	6,857	893	623	1,954	3,470	2,330
1971	7,462	862	649	1,997	3,508	2,827

NOTE: 1969 figures are actual, 1970 figures are preliminary actual and 1971 figures are intentions.
[a] Includes Yukon and Northwest Territories.

SOURCE: DBS and Department of Industry, Trade and Commerce *Private and Public Investment in Canada.*

TABLE 2

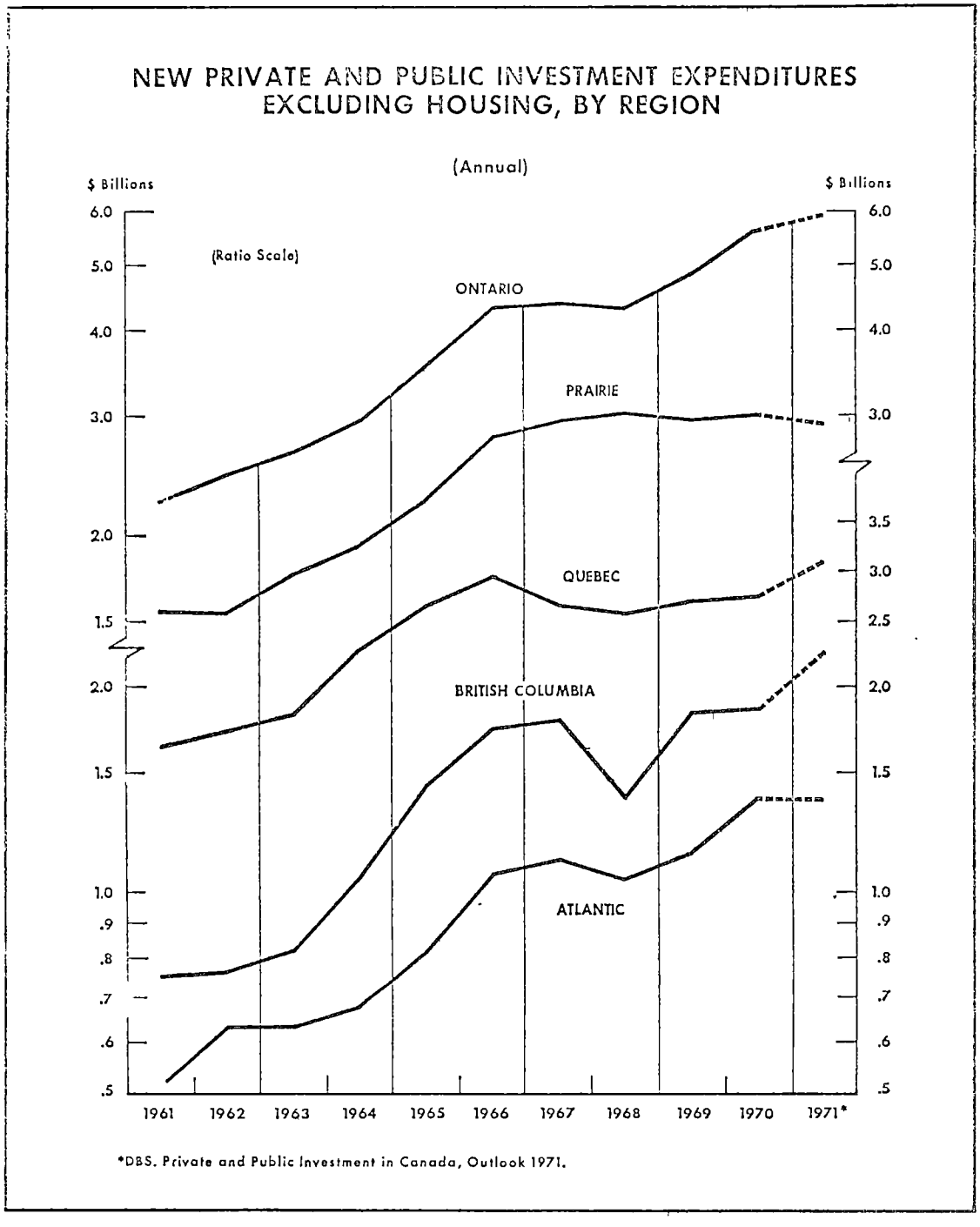
NEW PRIVATE AND PUBLIC INVESTMENT EXPENDITURES
EXCLUDING HOUSING, BY REGION
(Annual)
$ Billions
$ Billions
(Ratio Scale)
ONTARIO
PRAIRIE
QUEBEC
BRITISH COLUMBIA
ATLANTIC
6.0
5.0
4.0
3.0
2.0
1.5
2.0
1.5
1.0
.9
.8
.7
.6
.5
6.0
5.0
4.0
3.0
3.5
3.0
2.5
2.0
1.5
1.0
.9
.8
.7
.6
.5
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971*
*DBS. Private and Public Investment in Canada, Outlook 1971.

TABLE 3

CHANGES IN PRIVATE AND PUBLIC INVESTMENT, CANADA AND BY REGION

1953 to 1971

Years	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia[1]
	(Per cent change from previous year)					
1953	10.6	6.8	7.0	10.9	18.7	3.6
1954	−3.7	1.1	−0.9	−0.8	−7.2	−14.9
1955	12.9	20.4	13.5	8.7	8.7	32.6
1956	26.3	10.2	19.7	25.1	26.4	51.9
1957	8.7	−3.7	9.6	14.9	−5.1	18.7
1958	−4.1	7.5	1.2	−5.0	7.0	−28.5
1959	0.6	15.3	1.9	−6.6	6.9	2.1
1960	−1.8	2.8	−4.2	−1.5	0.5	−5.2
1961	−1.1	3.4	—	−2.2	−2.9	0.7
1962	6.6	11.4	7.3	9.3	1.2	2.9
1963	7.8	−0.6	6.8	7.5	11.5	9.9
1964	16.5	13.5	22.9	14.2	9.0	27.2
1965	17.6	17.6	13.4	16.9	15.6	32.2
1966	17.3	28.2	7.5	20.1	19.7	18.7
1967	1.5	3.6	−6.7	1.8	6.7	5.7
1968	0.9	−2.0	−1.2	4.1	3.8	−7.7
1969	9.5	13.5	6.3	13.0	2.4	14.8
1970	4.2	15.3	0.4	8.7	−2.8	1.7
1971	9.5	6.0	13.1	8.8	1.1	21.3

NOTE: 1969 figures are actual, 1970 figures are preliminary actual and 1971 figures are intentions.
(1)See footnote (1) on reference table 16.

SOURCE: DBS and Department of Industry, Trade and Commerce *Private and Public Investment in Canada.*

TABLE 4

VALUE OF RETAIL TRADE, CANADA AND BY REGION

1947 to 1971

Years and Months	Canada	Atlantic Region	Quebec	Ontario	Prairie Region	British Columbia
			(Millions of dollars)			
1947	6,963.4[1]	563.6[1]	1,621.1	2,721.1	1,320.8	736.9
1948	7,835.0[1]	607.3[1]	1,792.0	3,067.2	1,550.7	817.8
1949	8,532.0	734.2	1,872.0	3,293.6	1,758.1	874.1
1950	9,617.2	822.2	2,183.0	3,715.4	1,914.4	982.1
1951	10,693.1	898.5	2,412.6	4,129.8	2,122.3	1,009.8
1952	11,567.2	970.7	2,657.8	4,409.2	2,339.9	1,189.6
1953	12,189.4	1,001.4	2,793.1	4,665.6	2,485.3	1,241.0
1954	12,317.2	1,023.6	2,867.7	4,761.7	2,398.6	1,273.6
1955	13,472.8	1,124.7	3,109.3	5,295.7	2,496.1	1,447.0
1956	14,773.7	1,208.6	3,463.0	5,734.3	2,727.8	1,640.0
1957	15,423.3	1,233.0	3,709.6	5,943.1	2,851.5	1,683.2
1958	16,159.1	1,286.7	3,854.4	6,271.1	3,021.3	1,705.5
1959	17,087.1	1,356.5	4,114.2	6,614.9	3,298.1	1,793.4
1960	17,390.5	1,421.0	4,213.1	6,750.7	3,259.3	1,735.3
1961	17,752.3	1,455.6	4,490.1	6,808.0	3,248.1	1,760.5
1961[2]	16,073.0	1,380.5	4,108.0	6,206.7	2,773.6	1,604.2
1962	17,137.2	1,436.1	4,455.6	6,526.3	2,944.9	1,751.1
1963	18,207.1	1,511.0	4,770.3	6,917.8	3,097.6	1,880.3
1964	19,492.9	1,616.2	5,119.7	7,366.1	3,304.5	2,086.5
1965	21,151.6	1,761.9	5,533.9	8,034.4	3,509.2	2,306.9
1966	22,686.4	1,861.0	5,882.1	8,625.1	3,811.2	2,506.6
1967	24,151.8	1,979.1	6,379.2	9,091.0	4,057.6	2,648.0
1968	25,710.8	2,135.4	6,564.9	9,881.7	4,266.5	2,859.3
1969	27,324.7	2,193.7	6,937.8	10,639.2	4,448.6	3,105.3
1970	27,793.2	2,292.3	7,090.8	10,841.6	4,425.4	3,143.1
			(Seasonally adjusted)			
1970 J	2,319.9	187.5	588.3	891.3	379.3	268.4
F	2,287.9	186.6	582.8	881.8	361.5	262.2
M	2,280.1	181.3	585.9	897.7	358.2	263.0
A	2,311.5	189.6	583.9	911.7	361.1	261.8
M	2,305.0	190.4	587.5	910.8	359.4	260.8
J	2,297.7	191.5	590.9	901.7	357.1	259.7
J	2,352.8	193.4	596.9	920.3	385.1	259.5
A	2,301.2	190.5	585.5	907.0	367.2	260.7
S	2,340.0	191.4	596.6	912.4	372.4	263.6
O	2,318.8	191.2	589.5	895.6	372.8	261.9
N	2,322.2	192.5	587.6	903.3	372.9	266.1
D	2,361.3	196.8	618.9	909.9	380.6	270.1
1971 J	2,318.4	188.0	592.3	899.7	373.0	263.4
F	2,401.4	202.0	598.1	941.4	383.2	267.0
M	2,408.0	192.5	588.5	946.5	381.5	269.5

NOTE: Figures may not cross-add due to rounding.
(1) Excludes Newfoundland.
(2) Figures from 1961 are based on 1966 intercensal estimates.
SOURCE: DBS *Retail Trade*, Monthly, Cat. 63-005.

TABLE 5. PROPORTION OF HOUSING INVESTMENT TO TOTAL INVESTMENT (PROVINCIAL)

	NFLD.	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
% of Capital Expenditure										
1969	13.4	25.1	18.2	16.9	20.7	22.9	16.1	13.8	17.3	21.0
1970	9.1	23.3	17.8	13.5	19.7	18.5	15.3	8.1	13.9	19.9
1971	12.7	23.5	20.1	17.6	21.5	20.4	19.2	8.3	19.1	18.2
% of Repair Expenditure										
1969	11.8	18.9	16.7	15.7	17.5	16.7	17.0	16.3	14.3	15.5
1970	12.3	24.1	19.5	17.2	15.3	16.0	17.3	16.9	13.7	15.3
1971	12.1	23.8	19.1	16.8	14.9	15.8	17.1	16.5	13.7	14.8
% of Total Cap. and Repair Expenditures										
1969	13.0	23.4	17.9	16.6	19.9	21.4	16.3	14.4	16.7	19.8
1970	9.8	23.5	18.2	14.3	18.5	17.9	15.7	10.7	13.8	18.9
1971	12.6	23.6	19.9	17.4	19.8	19.4	18.7	10.7	18.1	17.5

TABLE 6.

PROPORTION OF PROVINCIAL HOUSING INVESTMENT TO TOTAL NATIONAL INVESTMENT IN HOUSING (MILLIONS $)

	NFLD.	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
% of Capital Expenditures										
1969	1.5	0.3	2.8	2.0	20.0	42.1	4.3	3.0	9.8	14.1
1970	1.5	0.4	3.3	2.0	21.7	41.1	4.4	1.6	8.8	15.1
1971	2.0	0.4	3.2	2.1	21.8	40.1	4.2	1.4	10.8	14.1
% of Repair Expenditures										
1969	1.7	0.4	2.6	2.1	24.9	38.6	5.0	4.9	8.0	11.7
1970	1.9	0.5	3.4	2.6	22.0	39.3	5.1	5.2	8.1	11.8
1971	1.9	0.5	3.4	2.6	21.9	39.4	5.1	5.1	8.2	11.9
% of Total Capital and Repair Expenditures										
1969	1.6	0.3	2.8	2.0	21.0	41.4	4.4	3.4	9.5	13.6
1970	1.6	0.4	3.4	2.1	21.7	40.7	4.6	2.4	8.7	14.3
1971	2.0	0.4	3.2	2.2	21.8	39.9	4.4	2.1	10.3	13.7

TABLE 7. INDICATION OF FINANCIAL IMPACT:[1] NHA PROVISION IN URBAN AREAS 1970-1971

	Total Commitments All Sections	% TOTAL CMA POP.	% TOTAL CMA TO CASH
METRO AREAS			
Calgary	83,527,594	3.4	8.6
Edmonton	67,671,316	4.2	7.0
Halifax	33,452,850	2.1	3.4
Hamilton	27,409,910	4.7	2.8
Kitchener	18,995,858	2.0	2.0
London	14,039,520	2.2	1.4
Montreal	175,873,287	25.3	18.1
Ottawa-Hull	69,963,953	5.1	7.2
Quebec	56,162,502	4.3	5.8
Regina	9,287,078	1.4	1.0
Saint John	8,141,533	1.1	0.8
St. John's	12,666,592	1.1	1.3
Saskatoon	7,991,600	1.2	0.8
Sudbury	20,731,298	1.2	2.1
Toronto	215,932,137	22.4	22.2
Vancouver	58,935,255	9.3	6.1
Victoria	11,502,785	1.8	1.2
Windsor	24,061,795	2.2	2.5
Winnipeg	55,601,373	5.3	5.7
MAJOR URBAN AREAS		% TOTAL MUA POP.	% TOTAL MUA TO CASH
Brampton	3,697,000	2.9	3.6
Brantford	2,343,600	4.0	2.3
Chicoutimi-Jonquières	10,011,200	6.8	9.7
Drummondville	2,495,000	2.7	2.4
Ft.William-Pt.Arthur	9,283,531	3.3	9.0
Guelph	7,352,200	4.6	7.1
Kingston	10,368,331	3.8	10.0
Moncton	5,275,259	3.7	5.1
Niagara Falls	4,531,950	5.3	4.4
Oshawa	5,553,000	3.6	5.4
Peterborough	4,674,000	6.8	4.5
St. Catharines	8,616,500	2.6	8.3
St. Jean	453,762	2.1	0.4
St. Jerome	2,965,000	4.3	2.9
Sarnia	2,778,527	4.8	2.7
Sault St. Marie	3,613,713	4.2	3.5
Shawinigan	481,000	5.1	0.4
Sherbrooke	5,482,315	5.6	5.3
Sydney-Glace Bay	2,579,324	9.2	2.5
Timmins	1,168,200	2.6	1.1
Trois Rivières	6,092,000	6.1	5.9
Valleyfield	413,100	2.2	0.4
Welland	3,426,200	3.7	3.3

1. Including Insured Loans

TABLE 8.

SINGLE DETACHED DWELLING STARTS FINANCED UNDER NHA

CENSUS METROPOLITAN AREAS	
Calgary	76%
Saskatoon	75%
Montreal	73%
Edmonton	72%
Quebec	68%
Regina	67%
Winnipeg	67%
London	55%
Kitchener	44%
Ottawa-Hull	43%
Hamilton	40%
Sudbury	38%
St. John's	33%
Windsor	30%
Halifax	26%
Saint John	26%
Toronto	20%
Vancouver	18%
Victoria	17%

MAJOR URBAN AREAS	
Chicoutimi-Jonquière	84%
Brampton	73%
Peterborough	72%
Ft. William- Pt. Arthur	70%
St. Catharines	70%
Sherbrooke	69%
Moncton	68%
Niagara Falls	66%
Trois-Rivières	66%
Valleyfield	66%
Sault Ste Marie	63%
Drummondville	62%
Oshawa	53%
St. Jerome	47%
Guelph	44%
Welland	43%
Timmins	36%
St. Jean	30%
Kingston	29%
Brantford	27%
Shawinigan	20%
Sarnia	15%
Sydney-Glace Bay	8%

TABLE 9.

PER CAPITA DOLLAR VALUE OF NHA FINANCING

CENSUS METROPOLITAN AREAS	
Calgary	253
Sudbury	177
Edmonton	169
Halifax	169
Ottawa-Hull	141
Quebec	136
St. John's	125
Windsor	114
Winnipeg	109
Toronto	100
Kitchener	99
Saint John	80
Montreal	72
Regina	71
Saskatoon	69
London	68
Victoria	66
Vancouver	66
Hamilton	61

MAJOR URBAN AREAS	
Kingston	145
Guelph	143
Chicoutimi-Jonquière	94
St. Jerome	89
St. Jean	89
Moncton	86
Peterborough	83
Brampton	82
St. Catharines	81
Niagara Falls	80
Sherbrooke	69
Oshawa	68
Ft. William - Pt. Arthur	65
Trois-Rivières	65
Drummondville	62
Welland	59
Sault Ste Marie	48
Sarnia	41
Brantford	37
Sydney-Glace Bay	30
Timmins	29
Valleyfield	12
Shawinigan	7

CHAPTER VI

CONCLUSIONS: THE NATURE OF THE PROPOSED POLICIES' IMPACTS

In summary, these are anticipated impacts of the proposals set out in the various policy sectors. They are judged in terms of a limited number of significant, and presumably desirable possible effects.

Low Income Housing

The overall tendency of the near-term recommendations is to rationalize present activities in this sector. There are some shifts but they are restrained in order not to preclude any longer-term substantive changes which might arise out of a more thorough analysis of the Low Income Housing Task Force Report.

There is no shift away from making low income housing primarily a federal responsibility; the capital funds needed to provide this housing continue to come only from the federal government through CMHC. For this reason, the number of units produced is directly related to how much the federal government can lend; no steps are proposed to encourage private sector mortgage investment in this area.

Access by low-income people to home-ownership and rental accommodation is governed by the volume of federal funds allocated to this sector and by borrowing conditions and subsidy levels. The present proposals tend to improve

access for low income people by improving borrowing conditions for both tenants and prospective home-purchasers.

The only subsidy for home-ownership proposed is in the Assisted Home-Ownership program. Proposed subsidies in the Entrepreneur and Limited Dividend section, although they might encourage ownership after the "mortgage out" is completed, serve only as an inducement to build better quality rental units. For Non-Profit housing programs the subsidy serves as an inducement to get other groups to provide social housing.

The use of subsidy in Entrepreneur and Limited Dividend and Non-Profit programs, together with the easier borrowing in the Non-Profit and Cooperative programs, is the beginning of a potential longer term shift out of public housing into other institutional forms of low income housing.

A shift away from public housing is advocated not only because of the social stigma associated with these institutions but primarily because of the level of subsidy commitment can be more effectively controlled through other programs. It is a reaction to the present projected subsidy commitments implicit in continued high level production of public housing.

Although there is a tendency to encourage home ownership through the Cooperative Assisted Home Ownership and Rural Housing programs, in budget terms the strength still remains

in the "rental" categories, due to the assumption that subsidy funds will be limited.

The Assisted Home Ownership and Cooperative Housing proposals tend to provide low-income people more choice in such matters as unit location, at least as far as that is compatible with controlled cost. The designation of cooperative as a separate form of tenure could, over the longer run, create a precedent which might be picked up by the approved lenders. Certainly the removal of the eighty percent shareholder requirement ensures that cooperatives can be more easily developed.

Some attempt is made in the Low Income Housing proposals to ensure that rental accommodation in the Entrepreneur Limited Dividend section is of better quality.

Although the proposals are primarily directed at the urban low income groups there is at least the beginnings of a recognition that the same problem exists, often in more extreme form, at the rural community level. This is particularly apparent in the Rehabilitation program. It also comes through in the proposal to find projects in smaller communities on the basis of actual and not proposed use. The Low Income Housing proposals contain no reference to the need to increase citizen participation in the rental accommodation; it assumes the present actions being taken are sufficient.

Native Peoples' Housing

The Native Peoples' Housing proposal is primarily directed at the "process" by which housing is being produced or will be produced. Consequently it stresses the need to have native peoples intimately involved in defining need, developing programs and projects and even implementing them. The proposal works from the premise that housing for natives is directly related not only to capital funds loaned but also to how much subsidy, and even principal, can be given away.

Residential Rehabilitation

The Residential Rehabilitation policy proposals are directed to serve low income people in the rural areas and in deteriorating areas of the city core. The entire thrust of the program is on upgrading and maintaining existing stock. The proposals suggest that the program should be directed at maintaining home ownership and in some cases extending it, e.g. the cooperative purchase of deteriorating dwellings. When the policy is related to the Community Assistance Program it becomes a vehicle for renewing present urban communities.

The program involves a high level of subsidy and capital funds by the federal government. To encourage the use of the loan funds the borrowing conditions are eased. The program has the effect of encouraging citizen participation in the process. It also advocates that the municipality

have a major role in monitoring housing quality and delivery of the specific program.

Urban Assistance

The Urban Assistance policy assumes that it is inappropriate to provide definitive objectives for urban Canada at this time. Consequently the policies are directed at doing what is possible and acceptable now, learning new things throughout this process and then rearticulating the objectives.

The major program thrust of the policy is toward providing an alternative to the suspended urban renewal program. The Community Assistance Program with its rehabilitation focus, the Non Residential Revitalization and the Urban Amenities programs provide this alternative. They are aimed at improving the quality of neighbourhoods and community processes in the urban centres. They are sensitive to differing needs and tend to reinforce the definition of need and project planning at the municipal and local neighbourhood level.

The Community Assistance program and the other elements strongly support citizen participation.

The Urban Assistance proposals, because they envision the initiation of a policy process out of which a national urban policy will emerge, have a strong thrust towards institution building.

This thrust is evident in the Urban Regional Planning, New Community Planning, Urban Management and Manpower program, Municipal Research and Development and the National Urban Information base. Part of this institution building thrust is directed at building a base for urban decentralization, particularly in the case of Urban Regional Planning, New Community Planning and Regional and New Community Implementation Assistance. This process tends to upgrade the roles of provincial and municipal governments in these areas.

All of these policies emphasize federal government leadership especially in regard to its acceptance of experimentation and its encouragement of experimentation at other government levels.

The Urban Assistance proposals generally, contain a limited series of hard objectives but provide programs which tend to encourage processes out of which more definitive objectives will emerge.

Day Care

The financing of capital costs for day care centres helps provide a socially oriented amenity and a community resource. It is intended that parents will have a major role in the operation and delivery of the centre; through

the non-profit preferred loans provision, parental co-operatives will be eligible for loans assistance.

Aids to Citizen Groups

The main direction of the Aid to Citizen Groups proposals is toward research and experimentation to develop ways of involving citizens in the decision-making process, and learning about citizen participation in activities relevant to the CMHC jurisdiction. The program is structured to include evaluation projects by the group as well as by CMHC. Citizen criticism is accepted as a valid feedback in the policy and planning process.

The Research and Development proposals are directed at testing new approaches to institutional support, manpower development and community planning, and at developing and upgrading municipal and local research capabilities. The proposal involves mechanisms that facilitate citizen participation. The development of a technological forecasting capability and encouragement of new technologies is also envisaged.

Infrastructure

The basic thrust of the infrastructure policy is to change the rules of the game operating in one of the key (if not the key) physical elements of urban development --

namely the process by which land is developed.

The policy suggests that the federal government develop a coordinated Land Banking and Neighbourhood Servicing policy in order to control and rationalize what has become a major high cost system, particularly by increasing the supply of serviced land and stabilizing the runaway prices.

The proposals accept that such an alternate system necessitates the strengthening of provincial and municipal planning and implementation capabilities. The emphasis is on federal government leadership in developing an alternate method to the present one and providing the capital support necessary to implement it. The provinces and municipalities have full program and implementation control, using the funds within broadly specified guidelines.

The policy proposals could be the key lever to the implementation of any urban decentralization policy.

IV. Summary Statement of Total Thrust

The combined, overall effect of the major policy proposals can be highlighted in this way:

* They focus on a process rather than a framework of objectives. Harder objectives are seen to arise out of the process itself. Urban Assistance is the leading edge in this thrust.

* They tend to improve institutions and create a favourable climate of information, experience and cooperation before defining longer-term urban and housing objectives.

* They alter present institutional context or rules of the game only in the infrastructure proposal; the other proposals work within present constraints, attempting to make the best of the situation.

* To meet their objectives the policy proposals require consistently higher levels of federal government capital and expenditure funds.

* There is no clearly defined attempt to rationalize building industry or to encourage private lender participation in the provision of low income housing.

* They tend to provide a base for urban decentralization but action along these lines necessitates a further range of decisions.

* The proposals tend to be more sensitive to social consequences and accept social objectives as a legitimate component of program delivery.

It is not sufficient, however, merely to analyze the potential impacts of the proposed policies in the near term. Some appreciation of their possible longer-range effect is important. Consequently, the next sections seek to develop such a broader context and to deal with directions.