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HOUSING POLICY IN CANADA LECTURE
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SPEECH NOTES
CANADIAN HOUSING POLICY
1944-1967

BY

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CANADIAN HOUSING POLICY, 1944-1967

BY THE TIME OF THE GREAT DEPRESSION, HOUSING HAD BECOME -- SECOND ONLY TO RELIEF -- THE GREAT NATIONAL SOCIAL PROBLEM.

THEN, WHEN WAR BROKE OUT, THE MOVE TO THE CITIES ACCELERATED. IN ITS FIRST THREE YEARS THERE WAS A 60 PERCENT INCREASE IN URBAN WAR RELATED EMPLOYMENT. ALMOST EVERY MAYOR IN THE COUNTRY WAS PLEADING FOR HELP FROM FEDERAL AND PROVINCIAL GOVERNMENTS TO MEET A HOUSING CRISIS THAT WAS STEADILY WORSENING.

AS WE FOUND IN CANADA'S EARLIER DAYS, THERE WAS NOTHING LIKE A WORLD WAR TO STIMULATE FEDERAL ACTION ON HOUSING. IN 1941, WARTIME HOUSING LIMITED WAS CREATED AS A CROWN CORPORATION TO BUILD TEMPORARY DWELLINGS FOR TEMPORARY WORKERS. STILL NOT WISHING TO BE ACCUSED OF ENTERTAINING A NATIONAL HOUSING POLICY, MUNITIONS AND SUPPLY MINISTER, C.D. HOWE, INSISTED THAT THIS WAS NOT "A GENERAL HOUSING PROJECT, BUT IS CONFINED SOLELY TO HOUSING THAT IS FOUND NECESSARY FOR THE SUCCESSFUL PROSECUTION OF THE MUNITIONS PROGRAMME."

WARTIME HOUSING LIMITED DID WELL. IT BUILT 26,000 RENTAL UNITS IN SIX YEARS. THAT WAS LESS THAN A THIRD OF THOSE LOOKING FOR HOUSING IN THE CITIES, AND OF COURSE THIS CONSTRUCTION PROGRAM DID NOTHING TO RELIEVE THE BACKLOG OF DEMAND.

AS WE SAW IN THE FIRST LECTURE, A STRIKING DIFFERENCE BETWEEN THE TWO WORLD WARS WAS THE DEGREE OF POSTWAR PLANNING LAUNCHED LONG BEFORE HOSTILITIES ENDED. THERE WAS AN ALMOST UNIVERSAL DETERMINATION THAT VETERANS IN PARTICULAR, AND CANADA IN GENERAL, SHOULD NEVER RETURN TO THE MISERY OF THE DEPRESSION YEARS. THE FEDERAL GOVERNMENT WAS IN THE UNACCUSTOMED MOOD TO SPEND BOTH MORAL AND MONETARY CAPITAL TO MAKE A BRAVE NEW WORLD.

BUT THERE WAS THE CONSTITUTION.

C.D. HOWE, WHO ATTAINED THE REPUTATION OF BEING STOPPED BY NEITHER FRIEND NOR FOE IN HUMAN FORM, PAUSED CAUTIOUSLY BEFORE THE CONSTITUTION IN 1942: "HOUSING FOR THE PERMANENT POPULATION IS THE RESPONSIBILITY OF THE CITY OR MUNICIPALITY, AND THEREFORE WARTIME HOUSING LIMITED CAN ONLY ASSIST THE LOCAL AUTHORITY, BUT CANNOT ASSUME THE FULL BURDEN."

THE GOVERNMENT, NOT KNOWING WHAT SHOULD BE DONE TO REACH THE DESIRED GOAL OF DECENT HOUSING WITHOUT DONNING THE BOOTS OF PRIVATE ENTERPRISE, MANAGED TO GET A LOT OF GOOD ADVICE. MOVED BY THE BRITISH BEVERIDGE BLUEPRINT FOR SWEEPING SOCIAL REFORM, THE GOVERNMENT ESTABLISHED AN ADVISORY COMMITTEE ON RECONSTRUCTION. UNDER ITS UMBRELLA, A REMARKABLY ABLE GROUP OF 12 PEOPLE UNDER PROFESSOR C.A. CURTIS RECOMMENDED HOW TO HAVE "AN ADEQUATE HOUSING PROGRAM DURING THE YEARS FOLLOWING THE

WAR." THE CURTIS REPORT, BECAUSE OF ITS FAR-REACHING IMPLICATIONS NOT ONLY FOR LOW INCOME HOUSING BUT ALSO FOR URBAN PLANNING AND DEVELOPMENT, WAS TO HAVE DEEP AND LASTING INFLUENCE ON GOVERNMENT HOUSING POLICY FOR DECADES. BUT NOT RIGHT AWAY.

THOUGH ITS FIRST FRUITS SEEMED MEAGRE, THE 1944 CHANGES TO THE NATIONAL HOUSING ACT BEGAN THE MODERN ERA OF NATIONAL HOUSING POLICY. BUT THE GOVERNMENT STILL FELT IT NECESSARY TO WRAP FEDERAL ACTION IN A CAUTIOUS CLOAK OF WARTIME NECESSITY.

PART V OF THE NEW ACT MORE DIRECTLY REFLECTED THE THINKING OF CURTIS. TURNING TO PLANNING AND RESEARCH, IT WAS TO FINANCE THE EDUCATION OF A WHOLE NEW GENERATION OF PROFESSIONALS IN PROGRAMS STARTING FIRST AT MCGILL AND EXPANDING TO EIGHT UNIVERSITIES. IT ALSO ENABLED THE FEDERAL GOVERNMENT TO STIMULATE AND SUPPORT TRAINING, EDUCATION AND RESEARCH, INCLUDING THE PUBLICATION AND DISTRIBUTION OF REPORTS. SOME MIGHT ARGUE THAT, IN THE LONG TERM, THIS PART OF THE ACT WAS THE MOST INFLUENTIAL IN THE WHOLE LEGISLATION AND IT WAS INCLUDED AS AN AFTERTHOUGHT.

EVEN THOUGH THE 1944 NATIONAL HOUSING ACT DID NOT FULLY RESPOND TO MOST OF THE RECOMMENDATIONS OF THE CURTIS REPORT, IT BROUGHT CANADA CLOSER THAN IT HAD EVER BEEN TO A NATIONAL HOUSING POLICY. THE MOST DECISIVE STEP OF ALL ALONG THE PATH TOWARD THAT GOAL WAS THE CREATION OF A CONTINUING INSTRUMENT OF

POLICY. THAT HAPPENED ON DECEMBER 18, 1945, WHEN THE CENTRAL MORTGAGE AND HOUSING ACT BECAME LAW.

SUCH AN ACT WAS POSSIBLE NOT ONLY BECAUSE WARTIME HOUSING LIMITED WAS SUCCESSFUL, BUT BECAUSE C.D. HOWE WAS CONVINCED THAT IT WAS SUCCESSFUL. THIS OUTSPOKEN DEFENDER OF FREE ENTERPRISE WHO HAD BEEN FAR FROM ENTHUSIASTIC ABOUT FEDERAL HOUSING INITIATIVES, HAD BECOME A BELIEVER IN CROWN CORPORATIONS. HE WAS A FIRM ADVOCATE OF A CROWN CORPORATION WHICH WOULD BE BOTH AN INSTRUMENT OF PUBLIC HOUSING POLICY AND AN ADMINISTRATOR OF FEDERAL FUNDS DEVOTED TO HOUSING. LIKE THE CNR, THE CBC AND TRANS-CANADA AIRLINES, THIS WAS TO BE THE TYPE OF CROWN CORPORATION THAT IS NOT ONLY AT ARM'S LENGTH FROM GOVERNMENT DEPARTMENTS, BUT PERFORMS, IN PART, MUCH LIKE A PRIVATE CORPORATION. INDEED, OVER THE YEARS CMHC HAS RETURNED MORE THAN \$700 MILLION TO THE CONSOLIDATED REVENUE FUND, INCLUDING MORE THAN \$100 MILLION IN THE LAST TWO FISCAL YEARS.

THE FIRST PRESIDENT WAS DAVID MANSUR WHO HAD ENJOYED A DISTINGUISHED CAREER IN SUN LIFE BEFORE BEING CALLED TO OTTAWA IN 1938 TO HEAD THE CENTRAL MORTGAGE BANK. GENERAL HUGH YOUNG, JUST RETIRED AS CANADA'S YOUNGEST QUARTERMASTER GENERAL, WAS APPOINTED VICE-PRESIDENT. IT WAS A STRONG TEAM. THIS WAS A GOOD THING BECAUSE CMHC DID NOT HAVE MUCH OPPORTUNITY FOR LEISURELY PLANNING. ON NEW YEAR'S DAY, 1946, THE PRESIDENT

STARTED WORK. HE WAS IMMEDIATELY FACED WITH THE PROBLEM OF FINDING TEMPORARY ACCOMMODATION FOR THE FAMILIES OF 16,000 VETERANS MANY OF WHOM WERE ATTENDING UNIVERSITIES. THEY WERE BILLETED IN ARMY HUTS MOVED TO THE CAMPUSES OF NINE UNIVERSITIES. CMHC COMMANDEERED PUBLIC BUILDINGS AND HOTELS, INCLUDING THE OLD HOTEL VANCOUVER AND THE WINNIPEG IMMIGRATION SHED.

SOON AFTER ITS INCORPORATION, CMHC ACQUIRED THE ASSETS AND STAFF OF WARTIME HOUSING LIMITED. THEY INCLUDED 30,000 WARTIME HOUSES TO WHICH CMHC ADDED ANOTHER 20,000, ALSO FOR VETERANS.

AND SO, AT LONG LAST, SUBSTANTIAL AND RAPID PROGRESS WAS BEING MADE ON CANADA'S HOUSING DEFICIT. HOWE WAS ABLE TO REPORT TO THE HOUSE OF COMMONS THAT NEARLY 50,000 UNITS HAD BEEN BUILT WITH NHA SUPPORT IN 1945, AND THE TARGETS FOR THE NEXT TWO YEARS WERE TO BE 60,000 AND 80,000.

LATE IN 1946, HOUSING RESEARCH AND COMMUNITY PLANNING OPERATIONS UNDER PART V OF THE NATIONAL HOUSING ACT WERE GIVEN A BIG BOOST WITH THE ESTABLISHMENT OF A RESEARCH DIVISION IN CMHC. ITS MANDATE WAS TO CONSULT PROVINCIAL PLANNING AUTHORITIES TO FIND WAYS TO IMPLEMENT COMMUNITY PLANS AND TO BEGIN A COMMUNITY PLANNING RESEARCH PROGRAM.

IN APRIL 1946, THE GOVERNMENT TRANSFERRED TO CMHC ALMOST ALL ITS HOUSING ACTIVITIES, EMERGENCY SHELTER, AND HOME CONVERSION PROGRAMS. THE NATIONAL HOUSING ACT WAS AMENDED TO PERMIT LOANS FOR RESOURCE COMPANIES TO BUILD MODERATE AND LOW COST HOUSING FOR SALE OR RENT TO THEIR EMPLOYEES. IN THAT SAME YEAR, HOWE WAS WARNING THE HOUSING INDUSTRY THAT IF IT FAILED TO BUILD THE HOUSES CANADA NEEDED, "THEN THE DOMINION GOVERNMENT WILL TAKE A DIRECT POSITION IN THE HOUSING FIELD." IN POLITICAL IDEOLOGY, CONSTITUTIONAL THEORY AND EARLIER PERSONAL BELIEF, THIS WAS A REVOLUTIONARY STATEMENT FOR HIM TO MAKE.

THE FIRES OF REVOLUTION WERE NOT BURNING UNIFORMLY IN THE LIBERAL CABINET OF THE TIME, HOWEVER. PRIME MINISTER ST-LAURENT DECLARED IN OCTOBER 1947 THAT: "NO GOVERNMENT OF WHICH I AM A PART WILL EVER PASS LEGISLATION FOR SUBSIDIZED HOUSING." DR. CURTIS MUST HAVE SHIFTED UNEASILY.

THE SENTIMENT OF THE PRIME MINISTER WAS SOMEWHAT SURPRISING BECAUSE BY THE LATE 1940S PUBLIC HOUSING WAS NOT A REVOLUTIONARY IDEA. THE BRITISH GOVERNMENT, WHERE THE SOCIAL THINKING OF BEVERIDGE HAD INFLUENCED PRIME MINISTER KING, HAD LONG BEEN BUILDING PUBLIC HOUSING. THE UNITED STATES HAD BEEN SUBSIDIZING IT. IN 1947, TORONTO BIT THE BULLET AND DEVELOPED REGENT PARK NORTH AS A LARGE PUBLIC HOUSING PROJECT WITH ASSISTANCE TO ACQUIRE AND CLEAR THE SITE UNDER THE URBAN RENEWAL PROVISIONS OF THE NHA.

OTTAWA POLITICIANS CONTINUED TO PUT THEIR FAITH IN INCREASINGLY FAVOURABLE MORTGAGE TERMS AND OTHER INDIRECT FINANCIAL INCENTIVES WHICH WERE SUPPOSED TO TRICKLE DOWN FOR THE BENEFIT OF ALL. AS THE 1940s CAME TO A CLOSE, IT WAS BECOMING EVIDENT THAT THEY WERE WRONG. DESPITE THE VIGOROUS BUILDING PROGRAMS, MORE AND MORE CANADIANS WERE UNABLE TO FIND HOUSING THEY COULD AFFORD.

IN 1949, THE HONOURABLE ROBERT WINTERS, THEN MINISTER RESPONSIBLE FOR CMHC, ADMITTED THAT HOUSING WOULD BE A "LONG-TERM PEACETIME PROBLEM." THE FEDERAL GOVERNMENT WAS BACKING CAUTIOUSLY INTO A SOLUTION WHICH CLEARLY CONTRADICTED THE PRIME MINISTER'S DECLARATION ABOUT SUBSIDIES.

IF THE GOVERNMENT HAD TROUBLE WITH ITS CONSCIENCE, AT LEAST IT WAS SPARED BY THE OPPOSITION. PROGRESSIVE CONSERVATIVE CRITIC, DONALD FLEMING, SUPPORTED SLUM CLEARANCE AND CONFESSED TO SHOCK THAT SO MANY FAMILIES WITH CHILDREN COULD NOT AFFORD HOUSING. HE EVEN URGED RENT CONTROLS.

THE 1949 AMENDMENT TO THE NHA DESERVES RECOGNITION AS AN EXAMPLE OF THE CREATIVE THINKING THE FEDERAL GOVERNMENT MUST EMPLOY TO GET THINGS DONE IN A CONSTITUTIONALLY DIFFICULT LAND. NOTHING WAS SAID ABOUT SUBSIDIES, BUT THE LAW PROVIDED THAT THE FEDERAL AND PROVINCIAL GOVERNMENTS WOULD SHARE THE 'DEFICIT' ON A 75 : 25 BASIS IN JOINT HOUSING OPERATIONS.

SOME CRITICS HAVE CLAIMED THAT THE GOVERNMENT WAS NOT ONLY OBSERVING CONSTITUTIONAL NICETIES BUT ALSO SHIELDING THE PRIME MINISTER FROM EMBARRASSMENT. IT WAS STARTING PUBLIC HOUSING IN THE LEAST PAINFUL WAY OPEN TO IT.

THOUGH MORE HOUSES WERE BUILT IN THE IMMEDIATE POST-WAR YEARS THAN ANYONE PREDICTED, THE SHORTAGE REMAINED SERIOUS AND PERSISTENT. ONE REASON WAS THAT THE APPREHENDED POST-WAR DEPRESSION NEVER HAPPENED. EMPLOYMENT CONTINUED TO BE HIGH WHILE BUSINESS AND INDUSTRY EXPANDED. LOW INTEREST RATES HAD A DIRECT EFFECT ON HOUSING DEMAND.

A SUDDEN INTEREST IN MARRIAGE AT A YOUNGER AGE AND A CONSEQUENT BABY BOOM COINCIDED WITH SURPRISINGLY HIGH IMMIGRATION. IN 1945 THERE HAD BEEN 15,000 NEWCOMERS. IN 1952 THE FIGURE ROSE TO 211,000 BEFORE LEVELING OFF. BY 1950, WHEN THE KOREAN WAR WAS PROVIDING A BRAND NEW STIMULANT TO THE ECONOMY, THE RATE OF HOUSE CONSTRUCTION WAS FALLING. THE PROBLEMS OF SCARCE MATERIALS IN THE IMMEDIATE POST-WAR YEARS HAD SOLVED THEMSELVES, BUT THE PROBLEMS OF FINANCING WERE BECOMING WORSE. PURCHASE OF A HOUSE REQUIRED A DOWN PAYMENT OF FROM 20 TO 25 PERCENT OF ITS VALUE; IN SMALL COMMUNITIES AND RURAL AREAS, THE DOWN PAYMENT COULD BE AS MUCH AS 50 PERCENT. THERE WAS SHORTAGE BOTH OF MORTGAGE FUNDS AND OF SERVICED LAND. THE FINAL DISCOURAGEMENT WAS SHARPLY RISING MUNICIPAL TAXATION.

CRITICS IN THE HOUSE OF COMMONS ACCUSED CMHC OF SERVING THE NEEDS ONLY OF THE UPPER THIRD OF THE COUNTRY'S INCOME EARNERS. THE HOUSING SHORTAGE WAS ESTIMATED AS HIGH AS 700,000 UNITS.

WHEN A NEW NATIONAL HOUSING ACT WAS BROUGHT DOWN IN 1954, THERE WAS LITTLE QUARREL WITH ITS MUCH MORE VIGOROUS POLICY. IN THE SEARCH FOR NEW MORTGAGE FUNDS, THE MAIN CHANGE WAS THE ENTRY OF THE CHARTERED BANKS AS LENDERS IN THE HOUSING MARKET. INSTEAD OF OFFERING DIRECT LOANS AS THE GOVERNMENT HAD DONE SINCE 1935, CMHC WOULD INSURE LONG-TERM MORTGAGES FINANCED BY PRIVATE LENDING INSTITUTIONS. REQUIREMENTS FOR DOWN PAYMENTS WERE DROPPED TO 10 PERCENT. THIS SET IN MOTION A LONG PROCESS WHEREBY THE CORPORATION EASED ACCESS TO HOME OWNERSHIP AND TOOK PRESSURE OFF THE NEED FOR SUBSIDIZED RENTAL HOUSING BY RELAXING THE TERMS OF MORTGAGE LENDING.

IN SPRINGING LOOSE MORTGAGE MONEY, THE NEW ACT WAS A MARKED SUCCESS. IN ONE YEAR THE NUMBER OF NEW LOANS JUMPED BY MORE THAN A THIRD. BETWEEN 1954 AND 1956, BANKS FINANCED MORE THAN HALF THE UNITS BUILT UNDER NHA.

AS A CONSEQUENCE OF THE 1954 ACT, MOST CANADIANS WHO COULD AFFORD MORTGAGE PAYMENTS WERE ABLE TO FIND FINANCING. MOST, BUT NOT ALL. THE BANKS WERE HAPPY TO SERVE CITY RESIDENTS, WHICH THEY COULD DO WITH LITTLE ADMINISTRATIVE EXPENSE OR DIFFICULTY. BUT MANSUR RECORDS:

"WE HAD A DREADFUL TIME IN THE EARLY YEARS GETTING LENDING INSTITUTIONS TO MAKE LOANS IN REMOTE AREAS. THEY DIDN'T WANT TO SEND EMPLOYEES INTO THE HINTERLAND TO MAKE ONE OR TWO LOANS. IT JUST WASN'T ECONOMICAL THE LENDERS WERE OPPOSED IN PRINCIPLE TO THE GOVERNMENT GETTING INTO THE LENDING BUSINESS, BUT THEY WERE RELUCTANT TO CHANGE THEIR WAY OF DOING BUSINESS."

TO ANTICIPATE THE STORY A LITTLE, IN 1957 THE DIEFENBAKER GOVERNMENT DIRECTED CMHC TO RE-ENTER THE DIRECT LENDING FIELD SO THAT ALL CANADIANS, REGARDLESS OF PLACE OF RESIDENCE, COULD GET MORTGAGE FINANCING.

WHILE THE NEW ACT REFLECTED DEEPENING GOVERNMENT RESPONSIBILITY FOR LOW INCOME EARNERS, PROGRESS ON LOW COST HOUSING WAS MODEST.

WITH THE PASSAGE OF THE 1954 ACT, DAVID MANSUR DECIDED THAT HIS MAJOR OBJECTIVES HAD BEEN ACHIEVED. HE DECIDED TO RETIRE AT THE END OF 1954. AS HE SAID IN A CLASSIC UNDERSTATEMENT, "I DECIDED THERE WERE OTHER THINGS I COULD DO." FOR THE NEXT TEN YEARS THE PRESIDENT WAS STEWART RATES, A DIFFERENT PERSON WITH DIFFERENT PRIORITIES. RECENTLY DEPUTY MINISTER OF FISHERIES, HIS BEGINNINGS IN GLASGOW GAVE HIM STRONG SOCIAL CONCERNS AND A DEEP PERSONAL INTEREST IN THE DISTRIBUTION AND QUALITY OF HOUSING.

THE CORPORATION WHICH HE INHERITED HAD BY NOW A HEADQUARTERS STAFF OF OVER 300, FIVE REGIONAL OFFICES AND A NETWORK OF LOCAL OFFICES FROM COAST TO COAST. UNTIL JULY 1952, IT WORKED IN THE SPARTAN ROOMS OF NUMBER 4 TEMPORARY BUILDING JUST WEST OF THE SUPREME COURT. THE BOARD OF DIRECTORS DECIDED THAT CMHC SHOULD MAKE A STATEMENT OF CORPORATE INDEPENDENCE BY BUILDING ITS HEADQUARTERS WELL BEYOND THE SHADOW OF THE MAIN GOVERNMENT COMPLEX IN DOWNTOWN OTTAWA. ITS SETTING IN SPACIOUS PARKLANDS AND ITS RED BRICK GEORGIAN STYLE ARCHITECTURE ARE ATTRIBUTED TO VICE-PRESIDENT HUGH YOUNG WHO HAD BEEN MUCH INFLUENCED BY THE GARDEN CITIES OF ENGLAND. THE PROTOTYPE FOR CMHC WAS THE TOWN HALL OF WELWYN.

FROM THIS NEW BUILDING, STEWART BATES SOON MADE HIS OWN PERSONAL MARK. IN A MILESTONE SPEECH A FEW MONTHS AFTER HE TOOK OFFICE, HE PROCLAIMED HIS BELIEF IN THE CITY AS THE MAJOR CRUCIBLE OF SOCIAL AND ECONOMIC CHANGE, AND IN HOUSING AS THE MAJOR INSTRUMENT TO BUILD THE CITY. HE QUIETLY REBELLED AGAINST THE CONVENTIONAL NOTIONS AT THE TIME, WHICH SAW HOUSING CIRCUMSCRIBED BY THE MATHEMATICS OF STARTS, AND DOWN PAYMENTS, AND LOTS BULLDOZED INTO THE SIMPLICITY OF EMPTY PIECES OF PAPER.

"MUST WE LOOK FORWARD TO WHOLLY CONVENTIONAL LIVING IN OUR NORTH AMERICAN CITIES?" HE ASKED. "LIVES ALL ALIKE IN STANDARDIZED SUBDIVISIONS? THIS IS THE IDEAL THAT SEEMS TO PREVAIL AMONG GOVERNMENTS, BUILDERS AND PLANNERS IF ENVIRONMENT HAS ANY INFLUENCE ON CHARACTER, THE ONE WE SEEM TO BE PROVIDING HAS SEVERE LIMITATIONS. IT SEEMS AIMED AT DIMINISHING THE INDIVIDUAL."

WITHIN THE CORPORATION, THINKING AND PLANNING TOOK ON A NEW DIRECTION WITH THE FORMATION OF WHAT HE CALLED THE ADVISORY GROUP, A SMALL COMMITTEE OF CREATIVE PEOPLE WHO WERE ENCOURAGED TO DEVELOP FRESH IDEAS ON HOW THE CORPORATION COULD IMPROVE THE NATION'S HOUSES AND ITS CITIES, THUS RAISING THE QUALITY OF CANADIAN LIFE. ITS MEMBERS HAD A PROFOUND EFFECT ON CMHC AND HOUSING IN CANADA.

TWENTY YEARS LATER THE CYCLE WAS TO REPEAT ITSELF WITH THE ESTABLISHMENT OF THE REBELLIOUS POLICY PLANNING DIVISION, WHICH ONE MEMORABLE MOMENT SECEDED ENTIRELY FROM THE CORPORATION AND WENT TO WORK ABOVE A BEER STORE. BUT THAT IS A STORY FOR NEXT TIME.

THOUGH SUCH A GINGER GROUP WAS BOUND TO HAVE ITS CRITICS, IT WAS AN INTERESTING TIME IN THE LIFE OF THE CORPORATION. TO PUT INTELLECTUAL FERMENT INTO PERSPECTIVE, ONE HAS ONLY TO RECALL THE FIXED AND LIMITED OBJECTIVES WHICH HAD BEEN PUBLICLY DRAWN BY THE PRIME MINISTER AND HOWE, AS WELL AS BY HOWE'S SUCCESSOR AS MINISTER RESPONSIBLE FOR CMHC, ROBERT WINTERS, WHO, AS HOWE'S PROTEGÉ, WAS CAST IN THE SAME MOULD. THEY PROBABLY THOUGHT THAT THEY HAD COME A LONG WAY BY TOLERATING A PERMANENT PEACETIME FEDERAL INVOLVEMENT IN HOUSING, AND THEY HAD. BUT THEY WERE CERTAINLY NOT READY TO EMBRACE THE IDEA THAT NATIONAL HOUSING POLICY SHOULD BE A MAJOR INSTRUMENT OF SOCIAL CHANGE.

MANY PEOPLE IN CMHC'S HEAD OFFICE, AS IT WAS THEN KNOWN, THOUGHT IT SHOULD. IN CANADA THE REVOLUTION IN THOUGHT ON THE QUALITY OF COMMUNITY LIFE DID NOT SPRING SO MUCH FROM THE UNIVERSITIES, FROM PROFESSIONAL ASSOCIATIONS OR EVEN POLITICAL PARTIES. IT CAME, OF ALL PLACES, FROM A CROWN CORPORATION WHICH WAS STIMULATING OTHERS TO THINK AND ACT.

IN 1956, AMENDMENTS TO NHA GAVE A NEW STIMULUS TO URBAN RENEWAL, ESPECIALLY IN URBAN CORES, THROUGH MORE FLEXIBLE RULES ON THE USES TO WHICH LAND COULD BE PUT, AND THROUGH THE FUNDING OF STUDIES TO ASSESS WHICH PARTS OF MUNICIPALITIES REQUIRED ACTION.

THE YEAR 1957 MARKED THE CLOSE OF A LONG ERA OF LIBERAL GOVERNMENT. IT COINCIDED WITH WORSENING ECONOMIC WEATHER. THE BANKS WERE FAILING TO COME THROUGH WITH THE MORTGAGE MONEY NEEDED AS INTEREST RATES EXCEEDED THE LEGISLATED LIMIT OF SIX PERCENT.

AS I MENTIONED EARLIER, HOWARD GREEN, NOW MINISTER RESPONSIBLE FOR HOUSING IN THE DIEFENBAKER GOVERNMENT, FUNDAMENTALLY CHANGED ONE ESTABLISHED OPERATING PRINCIPLE: THE GRADUAL WITHDRAWAL OF THE CORPORATION FROM DIRECT LENDING. IN THE DECADE FOLLOWING 1957, CMHC DIRECTLY FUNDED MORE HOUSES THAN THE BANKS DID.

ONE CAN ONLY SPECULATE IF AND WHEN THAT SHIFT WOULD HAVE COME HAD THERE BEEN NO CHANGE IN GOVERNMENT. PERHAPS IT WOULD HAVE TAKEN LONGER, BUT IN GENERAL IT MAY BE CONCLUDED THAT HOUSING POLICY WAS RARELY AN AREA OF SHARP PARTY DIFFERENCES IN CANADA. THE OPPOSITION WAS ALWAYS VOCALLY CRITICAL OF THE SHORTCOMINGS OF CURRENT OPERATIONS, BUT WAS ALSO GENERALLY SUPPORTIVE OF WHATEVER REMEDIAL LEGISLATIVE MEASURES THE GOVERNMENT BROUGHT BEFORE THE HOUSE.

TYPICAL OF THE UNCONTROVERSIAL EXTENSIONS OF HOUSING POLICY WAS THE PAIR OF NHA AMENDMENTS BROUGHT DOWN IN 1960. AUTHORITY WAS GIVEN FOR LOANS TO BUILD SEWERS; IN THE NEXT SIX YEARS \$208 MILLION WAS ADVANCED. AND THERE WAS PROVISION FOR LOANS TO BUILD UNIVERSITY HOUSING -- A FARSIGHTED PROGRAM THAT ANTICIPATED THE PRESSURES OF THE BABY BOOM IN THE LATE 1960s.

ONE IDENTIFIABLE CHANGE WITH THE NEW GOVERNMENT IN THE LATE FIFTIES WAS IN HOUSING QUALITY. MR. GREEN AND MR. WALKER AFTER HIM, WANTED TO MOVE TO SMALLER HOUSES ON SMALLER LOTS. DAVIE FULTON, WHO FOLLOWED MR. WALKER IN 1962, BROUGHT GREATER MINISTERIAL INTEREST IN URBAN RENEWAL.

THROUGHOUT ALL OF THIS, THE SOCIAL PHILOSOPHIES OF STEWART BATES WERE CONTROVERSIAL, AND THERE ARE THOSE WHO RAISED EYEBROWS AT A PERCEIVED TENDENCY TO LEAD RATHER THAN TO FOLLOW IN THE TANGO OF OTTAWA POLITICS. FEW OF HIS CRITICS WOULD DENY HIS INTELLECTUAL CAPACITY OR INTEGRITY. WITH THE PASSAGE OF TIME, MOST WOULD PROBABLY GRANT THAT HIS ALLEGED SOCIAL RADICALISM CAME AT A GOOD TIME IN THE LIFE OF THE CORPORATION. HE ATTRACTED GIFTED PEOPLE WITH HIS SENSE OF MISSION, AND HE HELPED DEVELOP THE CORPORATION AS A CREATIVE INSTITUTION WHEN IT MIGHT HAVE SLIPPED INTO A LONG AND SAFE EXISTENCE ONLY AS AN EFFICIENT BANKER.

IN SEEKING TO TRACE THE DEVELOPMENT OF A NATIONAL HOUSING POLICY, WE HAVE BEEN LOOKING PARTICULARLY AT THE LEGISLATIVE SCENE. IT HAS BEEN THE MOST IMPORTANT REFLECTION OF A NATIONAL HOUSING POLICY AND, UNTIL THE COMING OF CMHC, ALMOST THE ONLY REFLECTION. BUT CMHC ITSELF WAS GIVEN THE AUTHORITY AND RESPONSIBILITY TO MAKE ITS OWN CONTRIBUTION TO HOUSING POLICY. IT USED AS ITS INSTRUMENT PART V OF THE NATIONAL HOUSING ACT.

WHAT MADE PART V ONE OF THE MOST SIGNIFICANT FOUNDATION BLOCKS OF NATIONAL HOUSING POLICY WAS THE LEADERSHIP IT PROVIDED IN NEW IDEAS AND IN THE TRAINING OF PEOPLE TO DEVELOP THEM.

THE CORPORATION SUPPORTED ITS FIRST STUDENTS AT MCGILL'S SCHOOL OF ARCHITECTURE IN 1946-47. BRITISH COLUMBIA FOLLOWED IN 1951-52 AND THEN THE UNIVERSITIES OF MANITOBA AND TORONTO. A NETWORK OF EIGHT PROFESSIONAL SCHOOLS WAS LINKED TO ANOTHER HALF DOZEN ACADEMIC PROGRAMS PROVIDING PLANNING EDUCATION AND RESEARCH OPPORTUNITIES ACROSS CANADA. SOME OF THE NAMES OF THE STUDENTS SUPPORTED IN THE EARLY YEARS INCLUDE BRAM WISEMAN WHOM YOU ALL KNOW, AND TOMMY SHOYAMA, LATER TO BECOME A DEPUTY MINISTER OF FINANCE, AND RAY MORIYAMA WHOM YOU KNOW OF.

PART V BECAME LAW AT A TIME WHEN BRIGHT YOUNG PEOPLE IN GOVERNMENT AND UNIVERSITIES WERE DREAMING DREAMS ABOUT THE POST-WAR WORLD, AND WHEN POLITICIANS WERE ISSUING WARNINGS AGAINST PERMANENT FEDERAL INVOLVEMENT IN HOUSING, AND ESPECIALLY IN SOCIAL HOUSING. IN THESE CIRCUMSTANCES, AND WITH SO MUCH CONCERN ABOUT THE CONSTITUTIONAL LIMITS OF FEDERAL PROGRAMS, PART V WAS VERY RADICAL LEGISLATIVE ACTION INDEED.

IT IS HARD TO KNOW WHETHER MEMBERS OF PARLIAMENT, OR EVEN MINISTERS, SAW THE POTENTIAL IMPLICATIONS OF PART V. IT ATTRACTED NO CRITICISM FROM ANY CORNER OF THE HOUSE OF COMMONS OR FROM PROVINCIAL GOVERNMENTS. AND IN THE 44 YEARS IT HAS BEEN ON THE STATUTE BOOKS, IT HAS ATTAINED INSTITUTIONAL STATUS.

OTHER SPIN-OFFS FROM WORK AT CMHC'S HEAD OFFICE WERE THE CANADIAN HOUSING DESIGN COUNCIL AND THE COMMUNITY PLANNING ASSOCIATION OF CANADA. IN ALL THESE WAYS THE MANAGEMENT OF CMHC, PARTICULARLY WHEN STEWART RATES ASSUMED THE PRESIDENCY, WAS DEMONSTRATING ITS FUNDAMENTAL COMMITMENT TO QUALITY IN HOUSING AND URBAN PLANNING. THE POLITICAL, ECONOMIC AND SOCIAL FACTS OF LIFE IN THAT ERA DICTATED A SPECIAL PRIORITY FOR HOUSING STARTS, BUT THE NEED FOR QUANTITY NEVER EXCLUDED THE SEARCH FOR QUALITY.

IF I MAY, FOR A MOMENT, ANTICIPATE OUR STORY, THE SEEDS OF HOUSING QUALITY INTRODUCED IN THE 1950S ARE PRODUCING THEIR RICH HARVEST TODAY. THEN IT WAS HOPED THAT AT SOME TIME IN THE FUTURE, CANADA'S PRINCIPAL HOUSING NEEDS WOULD AT LAST BE MET BY A COMBINATION OF INDUSTRY, LOCAL AND PROVINCIAL GOVERNMENTS, LEAVING NATIONAL HOUSING POLICY FREE TO MAKE QUALITY ITS FIRST PRIORITY.

AFTER SOME TWISTS AND TURNS IN THE ROAD, THOUGH NOT YET HERE, THAT TIME MAY NOT BE FAR OFF, AT LEAST IN OUR URBAN AREAS.

IN 1963, THE ELECTION OF THE PEARSON GOVERNMENT BROUGHT A WAVE OF SOCIAL LEGISLATION. ITS FIRST IMPORTANT LAW WAS A SET OF SWEEPING CHANGES TO THE NATIONAL HOUSING ACT THE NEXT YEAR. URBAN RENEWAL GOT A LARGE BOOST. ALSO, FOR THE FIRST TIME THE WORDS "PUBLIC HOUSING" APPEARED IN THE ACT. LOANS OF UP TO 90 PERCENT WERE AUTHORIZED TO NON-PROFIT CHARITABLE OR GOVERNMENT CORPORATIONS TO BUY OR BUILD LOW-COST RENTAL HOUSING. THIS BROUGHT PROVINCES INTO PUBLIC HOUSING IN A SIGNIFICANT WAY THROUGH THE CREATION OF PROVINCIAL HOUSING AUTHORITIES.

PROFESSOR ALBERT ROSE, ONE OF THE MOST INFORMED CRITICS OF CANADIAN HOUSING POLICY, CALLED THE 1964 AMENDMENTS:

"A TURNING POINT IN CANADIAN HOUSING HISTORY. FROM THAT TIME ON THE WHOLE QUESTION OF WHETHER SLUM OR BLIGHTED AREAS WERE TO BE CLEARED, THE SOCIAL QUESTIONS ACCOMPANYING THE PROCESS OF RE-HOUSING AND RELOCATION, THE WHOLE QUESTION OF WHETHER LOW-INCOME PERSONS AND FAMILIES WERE TO BE OFFERED DECENT AND ADEQUATE HOUSING AT A PRICE THEY COULD AFFORD -- THESE AND NUMEROUS RELATED SOCIAL QUESTIONS WERE PUT SQUARELY IN THE LAPS OF THE PROVINCIAL GOVERNMENTS.

By the mid-sixties, public housing for the poor, the elderly and students was being created on a hitherto unprecedented scale. At the same time, conventional housing starts leveled off, and there was a shift toward rental housing. The banks had been taking a smaller role in mortgage lending since 1959 when the six percent ceiling on interest rates effectively removed them from mortgage lending. To remedy this situation, a 1966 amendment virtually freed NHA interest rates.

With that legislation, the period covered in this second lecture draws to a close. In 1967 Canada observed its Centennial in a mood of national celebration and seemingly endless introspection. The most successful world's fair of the century was a focus of enormous pride and optimism. While waving its newly approved Canadian flag, the nation also learned immensely more about its history than it had ever done before, owing to a flood of books, magazines, television, film and radio broadcasts. It focused its thoughts as never before upon the future.

The country had been changing fast. By the Centennial year, three quarters of the population lived and worked in cities. Two thirds of those were concentrated in large cities and metropolitan areas. After World War II, 85 percent of new housing was single family homes. In 1961, the rate dropped to 70 percent. In 1964, almost half of all new housing was apartments and other multifamily dwellings.

SUCH CHANGES MADE LIFE MORE DIFFICULT FOR THE CUSTODIANS OF A NATIONAL HOUSING POLICY. IT WAS WORK ENOUGH TO WRESTLE CONTINUOUSLY WITH THE ABSOLUTE DEFICIT IN AFFORDABLE HOUSING. THEY HAD SIMULTANEOUSLY TO COPE WITH THE FAST-CHANGING FACE OF CANADIAN CITIES, AS WELL AS THE CHANGING EXPECTATIONS OF THOSE DEMANDING OR OCCUPYING HOUSING.

WITHIN 20 YEARS WE HAVE MOVED FROM VIGOROUS BACK-ROOM DEBATES ON WHETHER THE FEDERAL GOVERNMENT SHOULD BE PERMANENTLY IN THE HOUSING BUSINESS AT ALL, TO A LEADERSHIP ROLE IN NOT ONLY HOUSE BUILDING BUT THE NATURE OF COMMUNITIES.

AT THE BEGINNING OF THIS PERIOD, A COMPREHENSIVE HOUSING POLICY WAS STILL AN ELUSIVE IDEA. BY THE END OF THE PERIOD IT HAD A PLACE AS A VITAL PART OF FEDERAL SOCIAL AND ECONOMIC POLICY; A MORE IMPORTANT PLACE THAN ANYONE THEN REALIZED. CANADA WAS ON THE EVE OF AN EXPLOSIVE NEW EXPERIMENT IN URBAN AFFAIRS. IT WAS THE BEGINNING OF A NEW ERA OF VAST CHANGES IN THE HOUSING ENVIRONMENT, OF QUICK RESPONSES TO THEM, AND OF UPHEAVAL AT CMHC.