

assured that the Government's objective of building, acquiring, or rehabilitating 50,000 units for low-income rural and native people will be met by 1980," said the report.

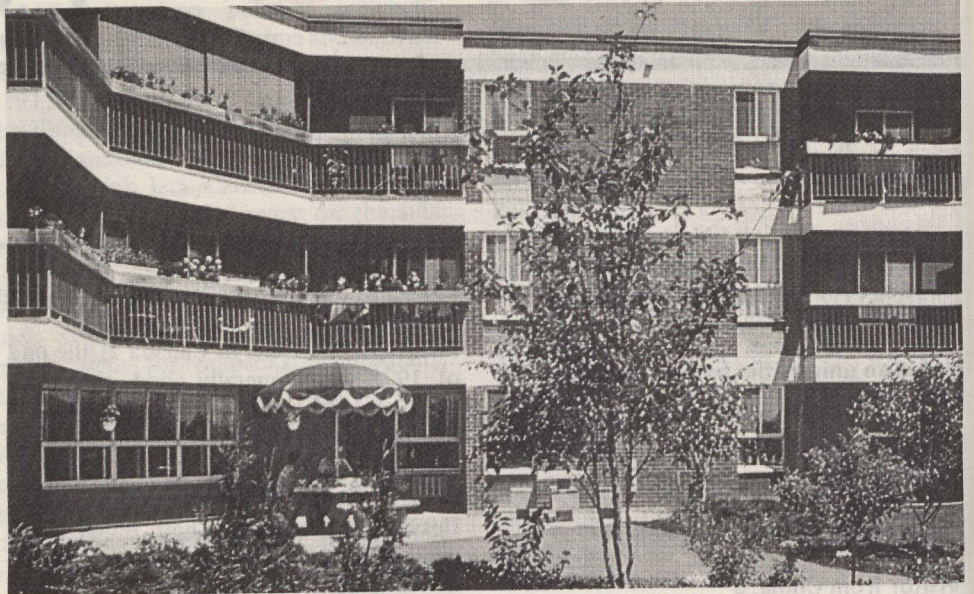
On the matter of government assistance for privately funded low-cost housing, the report said the policies which provided this assistance to limited income home buyers had resulted in an increase in mortgage defaults.

"These defaults were partly reflected in claims against the mortgage insurance fund which increased to \$181.8 million from \$46.9 million the previous year. The Corporation is giving careful attention to this matter," stated the report.

Housing system

As the Federal Government's housing agency, CMHC's objective is to ensure that good houses at affordable prices are available to as many Canadians as possible. It does this through its administration of the National Housing Act and the various kinds of financial assistance it provides.

Current surveys of Canadian housing conditions have demonstrated that Canadians on the whole are well housed. NHA assistance in the provision of housing for people with low and moderate incomes takes two main forms: public housing, and non-profit and co-operative housing. Public housing for lower-income



Social housing provides accommodation for various age groups and income levels.

groups is principally funded by the Federal Government through CMHC, either by loans to provincial housing agencies, or as joint federal-provincial endeavours. Operating losses are shared by the federal, provincial and, in some cases, municipal governments.

NHA loans and contributions provided to private, non-profit corporations and co-operatives are a means of helping moderate-income people to finance and manage their own housing developments.

Recent policy changes have shifted the

emphasis away from the public housing programs, which have acquired some negative social implications, and have strengthened those programs such as non-profit and co-operative housing which are privately financed and which help people to help themselves. These and other federal housing programs have also successfully stimulated a shift in production, away from the high end of the price scale, towards moderately priced housing affordable to people with limited incomes.

Under the new non-profit housing scheme implemented at the beginning of August, the Federal Government provides substantial contributions to both public and private non-profit housing projects to reduce rents. Provincial subsidies are no longer mandatory to receive this assistance.

Some 2,053 units were committed under the new non-profit terms, compared with 1,400 units for the old program.

The program makes possible the phasing out of the old public housing program, which tended to isolate low-income people, in favour of the privately financed non-profit and co-operative programs which allow a more acceptable blending of population groups and are more responsive to the plans and priorities of local governments.

The program of loans to provinces for public housing projects expired at the end of 1978, although the subsidy provisions of the NHA, designed to share operating losses, will still be available for provincially sponsored public housing projects built with capital obtained elsewhere.



The Federal Government assists financially people wishing to improve the insulation of their homes, provided they meet the necessary requirements. Over 190,768 grants have been made for a total of more than \$60.4 million in federal funds.