

This condition prevailed until October 1951. The national economy had by then adjusted itself to the point where an increased level of housing starts could be supported without prejudice to the defence effort. Higher loan levels were introduced at that time. Housing starts, which had declined to 69,000 in 1951, rose sharply to 83,000 units in 1952, and to over 100,000 in 1953.

This period of expansion in housing starts after the end of 1951 was characterized by difficulties not present in the immediate post-war period. Foremost among these was the shortage of private mortgage funds.

Changes in housing measures from 1951 were increasingly directed to the problems of maintaining a good supply of mortgage funds.

You will recall that increases in the maximum rates of interest authorized for National Housing Act loans were made in June 1951, and September 1952, to ensure a continued flow of new mortgages under the Act in the face of attractive rates in other fields. In the summer of 1952 arrangements were put into effect whereby the Corporation was authorized to make direct loans to prospective home owners in centres of up to 55,000 in population, to compensate for a withdrawal from these centres of joint lenders under the National Housing Act. During this period the available supply of private mortgage funds was tending to fall short of demand.

Even with house building proceeding at the high rate of over 100,000 we had serious doubts throughout 1953 about the adequacy of existing lending arrangements. In that year the mortgage investment of joint lenders had to be supplemented by the Central Mortgage and Housing Corporation which, in addition to its share of joint loans, made direct loans to the extent of about \$60 millions.

In the circumstances the Government sought additional sources of private mortgage money. Through the National Housing Act, 1954, Parliament provided the basis, for the first time in Canada's history, for the present vigorous participation of the banks in mortgage lending for new housing.

I have reviewed the outstanding changes in Government housing measures over the past few years partly to refresh your minds and partly to explain again some of the changes that were not too palatable at the time and which I'm sure were sometimes difficult to understand and accept.

However, by one means or another, collectively we were able to keep housing to the fore in Canada's developing and sometimes complex economy and to maintain a pretty high level of house building performance over the post war years.

Present Situation

At the present time the situation is buoyant. In 1954 housing starts and completions attained an all-time record and at the end of the year there were 69,000 units under construction. This too, was an all-time record.