

been lacking in our country. A central exchange is to be established and a government agency, the Residential Mortgage Market Corporation, will act as a buyer or a short-term lender, taking mortgages as security, making mortgages more liquid and attractive and thus encouraging more investment in housing. Amendments to the National Housing Act will also be introduced soon, which will provide Federal Government assistance for the rehabilitation of the existing city-core housing which will concentrate on upgrading existing neighbourhoods rather than tearing them down and starting from scratch.

Another area of direct federal assistance to municipalities has been the financing of programs aimed at the elimination and prevention of water and soil pollution. Here again, Central Mortgage has been the instrument used by the Federal Government. It is authorized to make loans to provincial or local authorities for the purpose of assisting in the construction or expansion of sewage-treatment projects. Very substantial sums have been loaned to municipalities under this program. In addition, over \$14 million in previous loans was written-off last year, owing to a statutory provision which allows CMHC to forgive one-quarter of these payments.

Furthermore, there is a new aspect of federal policy which I should mention. Last year, a federal Cabinet-level agency was created, the Ministry of State for Urban Affairs. This followed a detailed study of urban Canada, including a review of federal urban policy. I indicated a moment ago that housing was a most important, and the most visible, federal intervention in urban Canada. Lest you think it the only one, I should tell you that our urban study disclosed 27 different federal agencies and departments sponsoring 117 programs which affected urban life, and without systematic effort at policy co-ordination. Equally unsurprising and important, it was found that there had been little co-ordination between federal, provincial and local governments.

The basic task of the Ministry is to study critically the federal policies and activities affecting urban Canada: housing pollution, transportation, social assistance and the numerous other fields which help shape the growth of a city -- and to help pull these activities and policies together -- to co-ordinate existing and developing federal policies, to the end that they complement rather than contradict each other.

Although the Ministry acts strictly within the areas of federal jurisdiction, it is also responsible for developing the tools and techniques of effective co-operation with other levels of government.

Thus the threefold mission of the Ministry is: to evaluate and review federal policies in the context of their urban impact; to co-ordinate existing and planned federal policies; and to establish a link with the other levels of government whose programs influence urban life.

Federal Role in Municipal Finance

There is no easy way that the Federal Government can intervene directly to improve sources of municipal finance. The British North America Act