Exploring the Trajectory of Housing Assistance Policies in Canada

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ABSTRACT, This article explores the degree to which changes in housing assistance policies (HAPs) reflect the structural shift from the welfare state era towards neoliberalism and financialization, as opposed to efforts concerning the right to shelter that have emerged in Canada between the mid-twentieth century and the housing surge of the 1990s and early-to-mid 2000s. My central argument is that the HAPs instituted by the Canadian state during the welfare state era were shown to garner limited legitimacy among policy-makers and served as an effective scapegoat for a state that came to shift the goals of HAPs towards purposes more explicitly associated with neoliberalism and financialization. To support this argument, I make the following claims that are informed by my empirical findings. Firstly, I show how Canada's transition from the pre-1980s welfare state era into the contemporary epoch of neoliberalism and financialization saw the state largely withdraw from providing HAPs in the form of public assistance. The twenty first century brought drastic cutbacks to social housing support through public resources. At the same time, I explain that HAP policies were diverted to ramp up the demand for homeownership and access to mortgages which primarily benefited lenders and investors involved in mortgage-backed securities.

KEYWORDS: Housing Policy; Canada; CMHC; Neoliberalism; Financialization; Liberal-Welfare Regime

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Introduction

For many, the securement of housing is seen as a right that no one should be expected to live without. However, there is no legal basis from which one can demand housing as a right in Canada (Porter, 2003, 107). Rather, housing in Canada has always generally been provided by the private market. There are some important exceptions to this rule, as evidenced in the period between 1964 to 1978 where Canada moved "toward a comprehensive housing policy, with over 20,000 new social housing units constructed each year" (Fallis, 2010,182). The provision of socially assisted housing of this type speaks to the Canadian state's historical efforts to assist those unable to acquire shelter strictly through their own means.

It is important that I first explain why I am using the concept of housing assistance policies (HAPs) as opposed to some other generally accepted definition for policies the state uses to help people access shelter that they can not otherwise secure. Most definitions of such housing policies as employed by researchers and policy officials are centered around some metric of affordability. Most conceptions one finds will explain it as meaning that housing occupants are paying a manageable percentage of their income to access and maintain the shelter they have (Hulchanski, 1995, 472). This follows with the political-institutional definition of affordable housing as expressed by the CMHC (2018) where shelter is affordable so long as it costs less than 30 percent of a household's before-tax income. Yet, Hulchanski (1995, 488) reminds us that such 'rule of thumb' definitions of affordable housing that rely on a ratio are simply arbitrary because such concepts only raise the question as to why the government and the private sector shifted the ratio up from 20 percent to 25 percent and then to 30 percent "over the course of this century."

For my purposes, the term housing assistance policies better complements my objectives, which is not to understand whether certain policies meet the condition of some metric of affordability. Rather, I am exploring changes in the forms and contents of policies devised to provide access to differing types of housing for different classes of Canadian residents in ways I will show to be expressly political and determined greatly by changes over time in Canada's larger structures of accumulation.

My central argument is that the housing assistance policies instituted by the Canadian state during the welfare state era (between roughly 1945 to the mid-1980s) and characterized by Keynesian economics and welfare policies) were shown to garner limited legitimacy among policy-makers and served as an effective scapegoat for a state that came to shift the purpose of HAPs towards purposes more explicitly associated with neoliberalism and financialization. The emphasis of Canada's HAPs has always been, and continues to be focused on stimulating housing starts, home ownership and tenancy rates. The shift in housing policy orientation that this article refers to relates to a gradual delegitimization of certain strategies defined by federal leadership and support for non-profit housing construction which were slowly set aside in favour of others predicated on decentralized political control, limited social spending, and the boosting of financial capital's involvement in housing provision.

First, this research shows that Canada's transition from the pre-1980s welfare state era into the contemporary epoch of neoliberalism and financialization, saw the state largely withdraw from providing housing assistance in the form of public subsidies. The twenty first century accordingly saw a reorientation in the content of HAPs with significant cutbacks to social housing support in favour of more targeted assistance plans. At the same time, HAP policies were diverted to ramp up the demand for homeownership and access to mortgages which primarily benefited lenders and investors involved in mortgage-backed securities.

The evidence presented will thus reveal how the Canadian state undertook this transition towards housing policies marked by neoliberalism and financialization, as well as explain why the state in Canada was so susceptible to the influence of neoliberal ideas predicated on removing barriers to capital accumulation (i.e. privatizing public assets, removal of bureaucratic rules and oversight that impede the business class). On this latter point, I claim the liberal philosophy underpinning Canada's welfare state has always made it amenable to promoting a transition towards neoliberal oriented housing policies. What was required for it to happen was a breakdown of Keynesianism and the class compromise between capital and the working class that had buttressed the welfare state paradigm.

Importantly, the evidence provided does not suggest housing policy was necessarily more effective during the welfare state-era at tackling the housing access and affordability problems experienced by the working class and by income poor families overall. A prominent example of this being the federal public housing program that began in the mid 1950s and was expanded greatly through the 1960s as part of the then Pearson government's large expansion of social programs (Suttor, 2016). Despite being less stigmatized than its US counterpart, federally provided public housing earned enough negative attention that it was replaced by a relatively more successful social housing (subsidized non-profit societies, tenant co-operatives) program in the 1970s. Such non-profit housing, though, remained a limited option and became a popular culprit for bureaucratic overreach when housing affordability problems mounted during ongoing tumult in the 1970s and early 1980s.

The empirical evidence presented below is thus meant to show that the efforts by the state to shift the direction of HAPs followed in line with larger structural changes that took place in Canada. My evidence was derived from reports produced by the Canadian Mortgage and Housing Corporation (CMHC), a Crown Corporation and the primary conduit by which the Canadian state administers housing policy, along with statements from past debates between members of the House of Commons wherein state officials publicly justify the role and purpose of HAPs as promoting the public interest. These materials were derived entirely from public sources, including the CMHC website and the Hansard online archive. The findings derived from these materials help to establish the ways in which the content and purpose of housing policies have been articulated and justified by political officials.

These materials help illustrate how the state employed HAPs to try and redress the highly complex problems relating to housing affordability as expressed by varying segments of the Canadian population. These problems, including housing shortages and affordability issues occurrent in a rapidly urbanizing Canada after WWII were followed in subsequent decades by labour market restructuring and heightened concern over public spending levels. These events unfolded with a corresponsive strengthening of Canada's housing securities market and its financial markets generally, which worked over time to augment the criteria of HAPs intended to mediate them. However, such shifts in HAPs were largely limited to scaling back direct federal involvement in a sector that remains under formally provincial jurisdiction, as well as creating avenues by which the financial sector can aid housing seekers.

The implications of these explanations are such that the Canadian state has persistently shaped the direction of housing policy in accordance with the imperatives of the prevailing structure of accumulation. In this way, I show how the purveyance of the liberal welfare state regime in Canada after World War II (Esping-Andersen, 1996, 128) effectively conditioned the state to perpetually seek market-friendly solutions to housing problems, and thus made Canada susceptible to neoliberalism by the 1980s. My contribution to existing scholarship (see Walks and Clifford, 2015; Kalman-Lamb, 2017) on this matter is to explain how the changing content of HAPs through the welfare state era into the age of neoliberalism have persistently reflected the state's efforts to maintain social cohesion within changing structures of accumulation.

My analysis provided below will help explain these developments, and thus support my belief that Canadian housing policy has historically tended to be directed by the state in a manner accordant with upholding social cohesion, and the prevailing structure of accumulation by extension. By this I mean that the logic of accumulation requires that the state help extend the reach of capital into ever more sources of value once older ones become exhausted (see Harvey, 2007). This paper will unfold in two sections. The first section will consider how HAP developed after WWII up until the 1980s during the welfare state era. The second section looks at the gradual shift in direction that HAPs took between the 1980s and 2000s up to the point that Canada's housing surge tapered off following the onset of the 2008 crisis. This paper is thus not a comprehensive analysis of a strand or aspect of Canadian housing policy, but rather it provides a brief snapshot of changes in HAPs over a wide expanse of time.

Theoretical Perspectives

In any analysis of the functioning of housing policy, one must consider how and why the state itself deploys such policy in the manner it does. Many conservatives and classical liberals, despite their differences, would agree that society functions best when a state restricts itself to safeguarding individual liberties. Marxists, too, perceive states as largely oppressive institutions, but are generally in favour of abolishing them given their integral role in shaping and maintaining a structure of accumulation that does indeed produce enormous wealth, but relies on perpetuating exploitative class relations to do so. The evidence I present below supports a view that can be said to be common amongst many Marxist state theorists (see Jessop, 1990). That is, the state produces cohesion to the extent that the structures of capital accumulation remain supported (Bacher, 1993, 33).

It is in this vein that this article offers a critical analysis of Canadian housing policy that examines the relationship between the state and society in line with the principles of Marxist political economy (see Harvey, 1989). An historical analysis of the Canadian state's role in the creation and administration of its housing policy is naturally going to engage with the concept of the welfare state. This is because the state in Canada has historically employed its resources to help people attain shelter that can not otherwise afford it. Accordingly, British historian Asa Briggs (1961, 228) offers a classic definition of the welfare state as organized political power intended to modify the 'play of market forces' by providing people a certain minimum income and access to particular services that lie beyond their own means. We generally associate housing assistance policies with those that allow for the provision of subsidized (or rent geared to income housing) by the state, but this can take additional forms in the manner of tax credits for homebuyers, for instance, as these mechanisms all involve helping people access particular forms of housing – and thus are forms of welfare.

To situate this understanding of the concept of the welfare state in a Canadian context, I borrow from Esping-Andersen's (1996, 15) typology of welfare state regimes, within which Canada is classified as a liberal welfare regime along with the U.S., Great Britain, New Zealand and Australia. The liberal welfare state, according to Esping-Andersen (1996, vii-2), was a phenomenon that took shape beginning in the 18th century by which governments produced social solidarity, reduced disparities between classes, as well as affirmed "liberal democracy against the twin perils of fascism and bolshevism" in the 20th century. Efforts by welfare state regimes to redistribute resources towards the less fortunate in line with demands for equality, however, invariably conflicted with individual rights to 'life, liberty, and the pursuit of property,' a principle accordant with capitalism, a system predisposed to generating class inequalities. As Esping-Andersen (1996, 16) notes, the capacity for liberal welfare regimes to mediate these tensions came under attack following the neoliberal turn of the 1980s, wherein Canada, Britain, and the U.S. elected to draw back welfare policies and allow market forces even greater freedom to dictate individual access to resources, including housing.

It is important, however, to delineate how Esping-Andersen's typology can be usefully situated into this analysis of HAPs in Canada. The US and Canada, for instance, both engage in 'market federalism,' which is the "way in which [the] centralizing power of the state [is used] to protect property rights [and] also provides the state with the capacity to regulate and intervene in…markets" (Bousfield, 2013, 398). The primacy of individualism in post-civil war America saw it tend towards decentralized federalism, whereas Canada's market federalism became a means by which its confederated state could use protectionism to guard its resources from colonial appropriation under the banner of nation building, a trend that speaks to Canada's predilection for publicly provided health care and other universalist policies that make it less liberal than the US (Bousfield, 2013, 398-399).

At its peak, Canada's liberal welfare regime, as characterized by 'market federalism,' employed a set of strategies defined by technocratic Keynesianism. Purveyors of technocratic Keynesianism "emphasized policies of pump priming not investment control and actuarially sound, contributory social insurance programs not labour-market planning" (Bradford, 1999, 31). The objective of technocratic Keynesianism was thereby not to radically intervene in the market, writes Bradford (1999, 32) but rather "fine tune a mostly booming economy through tax cuts, investment incentives and automatic stabilizers," the last of which can be classified as welfare policies (for example, unemployment insurance, old age security, and child allowances). Such welfare policies help provide supplementary income to under-employed persons so as to stimulate aggregate demand and thus maintain social cohesion.

As will be shown below, technocratic Keynesianism became afflicted by a legitimacy crisis that struck in the recession plagued 1970s and was subsequently displaced by neoliberalism and financialization as guiding philosophies for policy. Neoliberalism is a term given to ambiguity and is not wholly synonymous with the label of 'small-government.' Palley (2005, 20) identifies it as a conservative laissez-faire philosophy that "emphasises the efficiency of market competition, the role of individuals in determining economic outcomes, and distortions associated with government intervention and regulation of markets." This is not to say that neoliberalism has rendered states into less powerful actors. That is, the state undertakes and manages processes, such as deregulation and tariff reduction, that lessen the degree to which the state interferes with individual liberties. Though financialization may ostensibly appear as a similarly mystifying term of art, its meaning is more straightforward. Krippner (2005, 174) defines financialization as "a pattern of accumulation in which profit-making occurs increasingly through financial channels rather than through trade and commodity production." We can say, then, that financialization refers to activities related to the provision or transfer "of liquid capital in expectation of future interest, dividends, or capital gains" (Krippner, 2005, 174-75).

HAP Changes After WWII, Strengthening Social Cohesion

Following WWII, Canada and the other the mature capitalist economies experienced prolonged economic growth often referred to as the Golden Age (McNally, 2009), an event that coincided with the augmentation of the liberal welfare regimes in these countries. This proved fortuitous for the Canadian state and the capitalist class in general as the post-WWII era was marked, broadly speaking, by a fear that Canada would sink into another Great Depression once the war-time economy dissolved (see Berry, 1999). As part of its efforts to head off such a calamity, Canadian policy makers adopted what became known as 'technocratic Keynesianism' after WWII. In its American and British forms, at least, Keynesianism stressed the active use of monetary and fiscal policy to spur aggregate demand.

In their efforts to stimulate economic growth during the welfare state era, the housing market was viewed by the Canadian state as an ideal vehicle to achieve this goal and serve as a mechanism for nation building and social stability by extension. Indeed, private market housing expansion helped buttress the social status of a once restless working class which increasingly found itself tethered to rentier capital through rent and mortgage payments. "The working classes shared in suburbanization virtually from the outset," writes Dalton (2009, 65) "buying or renting housing in modest, but new neighbourhoods." As well, bonding the working class (particularly homeowners) to rentier capital through debt repayment schedules in this way helps limit worker unrest, where threats associated with non-payment can overshadow the imperatives of labour movements. The purveyance of homeownership as a political means for generating social cohesion has a long history. Writing in the 19th century, Friedrich Engels warned the working class against such debt bondage "as it minimizes their autonomy by making them dependent on income from labour and diminish the chance of their starting a revolution" (Aalbers and Christophers, 2014, 385).

These developments were spurred as much by changes in state policy enacted immediately after the Great Depression as they were in the years after WWII. Harris (2004) explains how suburban development in Canada during the early decades of the 20th century was undertaken by immigrants and blue-collar workers who created communities that were relatively inclusive and heterogeneous. Following the Great Depression and WWII, however, Canada amassed a significant backlog for housing. Suburban development thereby became more widespread, notes Harris (2004), in part because the federal government had entered the housing field in 1935 where local governments adopted national building guidelines and provincial governments committed to more rigorous planning legislation. These efforts eventually culminated in the passing of the National Housing Act (NHA) in 1944 and the creation of the Canadian Mortgage and Housing Corporation (CMHC) to administer the NHAs guidelines, which included the direct provision of subsidized mortgages using taxpayer revenues. Canadian suburbs subsequently expanded and became more homogenous (Harris, 2004), thereby helping mitigate housing shortages.

Though these responsibilities given to the CMHC appear pragmatic and politically neutral, its institutional functions related to the state's efforts to suppress public support for radical political change. This is evident in how the CMHC administered the 1944 NHA, along with subsequent amendments made to it. By administering the NHA, the CMHC facilitated the expansion of new housing developments which signified the state's desire to appear as if it were instituting significant reforms meant to house more low-income Canadians. By doing so, the state meant to temper public fear of another Great Depression after WWII, which dovetailed with public concern over housing shortages (Bacher, 1993). The benefits that the NHA afforded the state and capital were that the increasingly 'suburbanized' working class would begin to refrain from challenging capital lest they find themselves unable to pay their mortgages, especially at a time when Soviet-era communism presented an attractive alternative to the existing order. The 1944 amendments, and the creation of the CMHC itself, thus went hand in hand with the evolution of the Keynesian welfare state, where capital and the state made policy-based concessions to labour to secure their compliance.

Canada's federally directed housing policy beginning in 1945 was described by Leone and Carroll (2010, 389) as a "relatively successful housing policy meeting the needs of returning veterans, baby-boom parents, and, later, baby boomers themselves in addition to those less advantaged through a number of income-support housing programs." The substantial uptick in birth rates clearly put pressure on the federal government, rather than the provinces or private lenders, to dictate the direction of Canada's housing market, which it was able to accomplish in large part due to its constitutional jurisdiction over banking. Canadian chartered banks were not even allowed to enter into the mortgage field until the federal government realized that a growing and increasingly urbanized population "could no longer be supported with available government revenues" and thereby amended the NHA so as to let the banks participate (Rose, 1980, 20).

Urbanization, and particularly the enhancement of blighted urban areas, factored greatly in the state's use of housing policy to generate private growth at this time. WWII had produced expansive growth in manufacturing employment in Canada through munitions production, leading to a rapid "increase in urban population, which created a housing crisis in almost every urban centre across the country" (Suttor, 2016, 25). The federal government, under amendments made (1944 and 1954) to the NHA, provided aid to municipalities for slum clearance and urban renewal (Carroll, 1989). Policy makers held that eliminating slum dwellings would mitigate the 'pathology' of slum areas (Purdy, 2002), as well as "allay the impact of post-war economic and social volatility" (Purdy, 2005, 529). NHA amendments made in 1956, furthermore, allowed urban lands purchased by federal funds to be used for commercial redevelopment (Pickett, 1968).

The state's post-war housing initiatives helped temper working class consciousness, and at the same time benefited private interests associated with housing development. Additionally, the state amended the NHA in 1964 to 'make affordable housing more accessible' through subsidies. The period between 1964-1973 accordingly saw "Canada's greatest boom in both public and private apartment housing construction" (Walks and Simone, 2016, 62). The 1964 changes enabled efforts by each level of government, along with private groups to secure the housing needs of low income families (CMHC, 1965). The amendments themselves included "extended aid for federal-provincial public housing projects" (Oberlander, et al., 1992, 57). Nevertheless, the federal state's public housing program remained very small compared to its mortgage insurance and direct lending programs (Fallis, 2010, 180).

However limited they were, these forays by the state into urban renewal and the provision of subsidized housing served to exacerbate housing affordability problems for poorer slum residents. Carroll (1989, 65) emphasizes that "renewal displaced many low-income people who could not afford to move to the suburbs." As well, by 1970 the federal government commissioned the Hellyer Task Force which "urged an end to large scale public housing projects" which society had by then labeled as being ghettos, and encouraged actions to integrate lower income classes into the private market (Warne, 1989, 17). Eventually, the federal state heeded the task force's recommendation, and subsequently stopped its public housing program while some of the provinces continued their own programs after this time.

In 1973, Ontario initiated a multi-pronged role which included providing assisted ownership, housing rehabilitation support, and expanding social housing production; around the same time, Quebec, British Columbia, and Alberta each became active in building social housing (Suttor, 2016). Housing policy in the immediate decades following WWII reflect Esping-Andersen's (1996, 128) contention that "fiscal federalism, rather than fiscal competition" as being the basis of the welfare state in postwar Canada. Indeed, the inability of poorer provinces and cities to provide welfare during the fallout of the Great Depression led to centralization within the federal government of responsibility over forms of social security (Esping-Andersen, 1996, 128), which manifested into direct equalization payments made to provinces.

HAPs in the 1970s, Governing for Collectives or the Individual?

Such facilitative efforts undertaken by the state are evident also in the years between 1970 up until the mid-1980s. During this period the federal government subsidized non-profit societies and tenant co-operatives in order that they could build low-rent housing for modest income Canadians (Fallis et al., 1995). “It is this group of related housing programs that now is commonly referred to as social housing,” writes Dreier and Hulchanski (1993, 52), “meaning that they are socially assisted (receive direct subsidies) and that they house people from a broader social and income mix than the previous public housing program.” According to Bryant (2004, 641), in “Ontario through the 1970s until 1995 successive provincial governments were committed to rent regulation to protect an affordable rental housing stock in the private rental housing market, and to increase the number of social housing units.” In 1975, Ontario’s Conservatives “introduced rent control legislation as an anti-inflation strategy” (Bryant, 2004, 642) which lasted up until 1995. The year 1995 saw the Quebec sovereignty movement lose by only a narrow margin, and the federal government’s need to both resist while also alleviate Quebec nationalism converged with its deciding to reduce federal spending and expediting negotiations with the provinces over jurisdiction over various areas of public service provision (Suttor, 2016).

However expansive, the direction the state took during the welfare state era in the 1970s with respect to housing policy remained primarily concerned with bolstering the private market. As Hulchanski (2003, 224) notes, Canada's social housing program remained modest in scope “because of the broader policy objective of leaving as much of the housing system in the market as possible" (see also Rice and Prince, 2013, 36). The state's efforts in the 1970s to combat housing affordability problems were further compounded by wider structural problems that became threats to the welfare state paradigm. A primary threat in this regard was stagflation, which refers to the crisis of high inflation and unemployment that began after 1973 (Fortin, 2004). The poor macroeconomic conditions fed into rapidly rising housing costs and growing private rental supply problems, leading to housing becoming “singled out as a cause for concern” (Lewis, 2003, 64). As was similarly the case in the late 1960s, for instance, interest rates on mortgages jumped in the late 1970s from “15 percent to more than 21 percent before they declined to the 12-14 percent range in 1983. These record high mortgage rates pushed homeownership beyond the reach of many Canadians" (Prince, 1995, 751). Campbell (1987, 217) argues that political decision makers concluded that Keynesianism and welfare policies "overheated and its efficiency diminished as a result of incompetent bureaucratic and political meddling." The legitimation crisis facing Keynesianism led to the state abandoning "stimulative policies and [initiating] restraint, or at least the appearance of restraint" (Oberlander et al., 1992, 65).

Following this, the CMHC (1980) declared at the end of the 1970s that its revised primary function was as a mortgage insurer. It would continue making loans and investments using public funds, but the scale was to be "dramatically reduced from that which prevailed until the mid-1970s" (CMHC, 1980, 9). The provision of housing for needy families through public, as opposed to private funds, remained important in the 1980s despite being gradually circumscribed (Suttor, 2011). One may be inclined to pinpoint this period as the start of a slow roll-back phase of neoliberalism (see Keil, 2002) within the spectrum of HAP, which makes sense given the gradual retrenchment of direct CMHC intervention in the housing market. Prior to this time, the federal state attributed a greater portion of HAPs towards collective interests in the form of federally provided resources and cooperative administration with the provinces in the production and management of non-profit housing. This post-WWII welfare regime remained politically tenable only so long as structural conditions permitted.

HAPs in the 1980s to the 2000s: Neoliberalism and Financialization Takes Hold

The direction HAPs took during the mid-1980s shows a commitment by the state to abide by the neoliberal principle of limited government intervention and a corresponsive focus on promoting the individualist pursuit of property. Neoliberalism in Canada and elsewhere staked a path "not of manifest destiny but one shaped by opportunistic moments, workarounds and on-the-hoof recalibrations, which in practice often bear little resemblance to the lofty ideals expressed in neoliberal theory" (Peck and Theodore, 2012, 179). Indeed, the neoliberal turn within Canadian housing policy was justified through ideas espoused by state officials who argued the federal government had mapped this result inadvertently through over spending and incompetence during the welfare state era.

Conservative Roch La Salle (1984, 4137) remarked to the House of Commons in 1984 that "government probably has very little room to manoeuvre regarding the amount of assistance it can offer homeowners, and the reason is quite simple, this government, especially in the last ten years, has put this country deep into debt through its unbridled spending." Suttor (2009) documents the momentum of roll-back neoliberalism in 1980s Canada, noting that regarding housing policy, priorities for the state became decreasing its supply side measures, that is, reduce the production of publicly subsidized housing (see also Peck and Tickell, 2002). In 1984, for example, the CMHC revised its program selection process, declaring "only those cost-effective projects which serve the most people in need will be supported in 1985" (CMHC, 1984, 22).

Paving the path to neoliberalism dovetailed with the state's concurrent efforts to financialize Canada's housing market. Accordingly, the Canadian state acted in the 1980s to manage inflation and public deficits so as to reduce risk of volatile shifts in asset prices and interest rates, all key concerns for those wanting to stimulate investor confidence. During the 1980s, interest rates spiked in Canada as a response to recurring recessionary conditions, and a result of this was that the federal interest rate guarantees for non-profit and cooperative rental housing 'made federal costs explode' (Walks and Simone, 2016, 63). To get deficits under control, the CMHC's mandate was put under review, which Walks and Simone (2016, 63-64) say resulted in the federal government choosing to more "narrowly target housing services to those with highest need" and left not only the provinces and local housing agencies to fill the gap in HAP provision while opening avenues for financial capital to get involved also.

Indeed, by 1986, the CMHC introduced the National Housing Act – Mortgage Backed Securities (NHA-MBS) (CMHC, 1986). The NHA-MBS program promoted the creation of a secondary mortgage market by offering investors, institutional (for example, pension funds) and otherwise, "guarantees of timely payments on pools of residential mortgages insured by CMHC" (CMHC, 1996, 9). The state thus encouraged investors to buy and hold NHA-MBS by assuring them they will be protected in the event mortgagors' default on their housing payments. Investors also had a stake in helping fund mortgages as greater housing market activity translated into more opportunities to create revenue-stream generating mortgage backed securities.

On the one hand, the state sought to balance budgets and monitor inflation under the pretense of promoting private-market efficiency and reducing risk. On the other hand, the state began actively financializing the housing market by promoting, and guaranteeing the solvency of mortgage-backed securities, a move that necessitates creating more risk for the taxpayer, whom are the lenders of last resort. Concurrently, the NHA-MBS program was said to "benefit home buyers by increasing the amount of private capital available for mortgages, thereby helping keep interest rates competitive and encouraging lenders to offer mortgages renewable at longer terms" (CMHC, 1996, 9). The benefits passed on to home buyers through the NHA-MBS program in the form of enhanced access to mortgage financing in what was a market increasingly flush with capital, though, were diluted in the face of stagnating wages, reduced welfare support and rising consumer debt levels in the 1990s.

Some politicians, meanwhile, continued to project ideas that highlighted deficit repayment as taking precedence over efforts to produce welfare policies. Then Cabinet Minister Donald Mazankowski stated in the House of Commons in 1993, "We all have to recognize that while we are very supportive and indeed want to enhance all our social programs, we have a very serious debt and deficit problem which we have to handle and manage" (Mazankowski, 1993, 19053). Evans (2002) argues the state's neoliberal fervour for dissolving welfare policies manifested out of its need to stay competitive in an era of free-trade agreements and highly mobile capital. Contra Mazankowski, Evans (2002, 80) argues that the "deficit was not caused by dramatic increases in social spending but resulted from decreases in government revenue, effects of high interest rates and tight monetary policy that dampened economic growth and led to higher levels of unemployment."

The state was accordingly more wary of developing and administering HAPs that relied on exclusively public funds as was more the case in prior decades (for example, an expansion of social housing). At the same time, the state opened more avenues for financial capital to help address affordability issues. Following the example of the U.S., where securitization increased homeownership rates, the Canadian state committed fully to its NHA-MBS program, even extending its reach into social housing where the private sector was enabled to invest in what was formerly provided by public sources (Walks and Clifford, 2015). 1988 marked "the introduction of exclusive MBS pools of government subsidized non-pre-payable social housing mortgage loans. Starting with one issue in August, social housing pools grew by year's end to 31 issues, for a total of $216.4 million" (CMHC, 1988, 19). This policy is, of course, not indicative of the state neglecting societal interests as it simply permits investors to fund housing that was formerly paid for through conventional channels like commercial banks and state sponsored mortgages.

Where the state reveals its predilection for privileging financial interests more exclusively is with subsequent housing policy developments in the 1990s. In 1996, for example, administrative responsibility for social housing was transferred from the federal government to the provinces, with the elimination of costly overlap named as the primary reason (Wolfe 1998; Pierre, 2007). The conservative government of Ontario, for example, unloaded responsibility over social housing to the municipalities that could not afford to pay for them beginning in 2000. Sabotaging city governments, argue Hackworth and Moriah (2006), was a move intended by the Ontario Conservatives to raise support for privatization wherein private capital could take advantage by investing and assuming control of formerly public assets and services. The federal and provincial governments' lack of interest in constructing new social housing by the mid-1990s is evident in the numbers where by that time, roughly "five percent of Canada's households live(d) in non-market social housing." (Hulchanski, 2004, 179).

The devolution of responsibility over HAPs from the federal government to the provinces was a development driven arguably as much by the state's federalist orientation as it was by its commitment to neoliberalism and financialization. Whereas post-WWII era HAP was characterized by the federal government exercising leadership over the provinces, in the 1990s control over HAPs became decentralized with the provinces assuming greater autonomy with respect to HAP administration (Suttor, 2016, 15). Budgetary constraints felt within both the federal and provincial governments during the 1990s led the federal government to withdraw itself as primary administrator of housing policy where "decision making as to where federal money was to be spent was largely decentralized to the provinces, municipalities, and even the private sector" (Leone and Carroll, 2010, 399).

When the governments tried coordinating on HAPs in the early Twenty-First Century, the aim tended to be more on providing targeted assistance rather than broad provision of non-profit housing. The results were mixed. In the late 1990s, progressives identified three major housing problems, housing affordability, homelessness, and aboriginal housing, but "neither the federal nor provincial governments showed much enthusiasm for developing a comprehensive housing policy" (Fallis, 2010, 185). What followed was the Homelessness Partnering Strategy, considered the most significant housing initiative of the period as well as the joint federal and provincial Affordable Housing Framework Agreement which devoted millions for new rental housing and shelter support for low income communities (see CMHC, n.d.) – but this floundered amid squabbling between governments at both levels (Fallis, 2010, 185-186).

Canada's federal state did in fact promote policies in the 1990s that would allow more social housing to be created, but did so in a way that eschewed public funds and instead encouraged financial markets to take advantage. Referring to Bill C-82 put before Parliament in 1992, then Cabinet Minister Elmer MacKay stated the proposed law enables the "CMHC to obtain funding from and invest in the capital market. The bill also permitted the CMHC to directly finance social housing projects at lower interest rates" (MacKay, 1992, 12087). Dupuis (1999) writes that "in the 1993 Budget, the federal government announced that it would no longer be increasing its support for social housing through the Canada Mortgage and Housing Corporation (CMHC) beyond the current funding level of about $2 billion a year" (Ottawa. Parl., 1999). As such, investors were afforded more opportunities to finance HAP initiatives rather than the state and it was the state itself that facilitated this development.

Strategies meant to provide housing policy support for renters, meanwhile, have been limited since the neoliberal turn began taking shape. Between 1975 to 1999, the Canadian federal and provincial governments were insistent on fighting inflation through rent control among other policies (Bryant, 2004, 648). The mid-1990s did, however, see six of the ten provinces opting for vacancy decontrol (see Arnott, 1995) which is a policy that "allows landlords to increase rent without restriction when a tenant vacates an apartment. The tenant is protected from large rent increases provided s/he does not move" (Bryant, 2004, 642). The general trajectory of such policies intended to manage inflation pressures have nevertheless hurt Canadian renters who have experienced worsening affordability costs relative to homeowners in conjunction with successive periods of rapid housing price growth beginning in the 1970s, the late-1980s, and the early 2000s respectively (Cheung, 2014).

While policy support for renters deteriorated, the state acted decisively to drive up homeownership rates beginning in the 1990s. By doing so, the state assisted in bolstering housing growth and the NHA-MBS market. In 1991, the state initiated the First Home Loan Insurance (FHLI) Program that reduces the minimum down payment requirement from 10 percent to five percent for first-time homebuyers (CMHC, 1991). Such policies worked in concert with falling interest rates by helping drive up housing starts in 1996 by 24 percent (McDonough, 1997). Rising demand for private market housing driven by growingly indebted Canadians was a phenomenon driven by the federal government allowing "the CMHC to insure mortgages with 40-year amortizations, zero-down payments, and interest-only mortgages, which the banks were only too willing to provide given they now shouldered none of the risk" (Walks and Simone, 2016, 67).

As Canada's housing boom took effect in the mid-1990s, HAPs were directed towards enhancing access to homeownership through the medium of financial markets. In 2000, the CMHC increased the amount of "insured mortgages that can be securitized" (CMHC, 2000, 18), with the intent of enhancing NHA-MBS activity. By the mid-2000s, the CMHC lifted an additional barrier to ownership by reducing home insurance premiums, thus promoting greater affordability (CMHC, 2005). The reduction in cost of home-insurance premiums thus assisted in creating access to homeownership, and mortgage funding by extension, which lenders were more than happy to provide. This is because lenders accrue fees through the sale of mortgages to investors in the NHA-MBS market. Investors, in turn, are provided a steady revenue stream by purchasing and holding mortgage-backed securities.

One may ask why it matters that these policies are meant to entice investors. After all, the 1990s marked the start of a housing boom made possible largely through NHA-MBS activity in secondary mortgage markets (Seccareccia, 2013). This surge, moreover, led to record levels of home ownership according to the Bank of Canada (Crawford and Faruqui, 2011-2012) up until the 2008 crisis emerged in the United States. One response would be to say more people were buying homes not because they were necessarily earning higher wages. The spike in homeownership was largely a product of more credit being lent to consumers. "Household debt in total was higher in 2000, rising to $623.4 billion from $449.3 billion in 1994. Secondary mortgage markets played a greater role in funding mortgages in 2000, accounting for almost 12.7 percent of the residential mortgages outstanding as of November 2000" (CMHC, 2000, 13). "As the 2000s wore on, it was the banking sector for the most part that became most leveraged, nor the private business sector," but rather it was individual households (Walks and Simone, 2016, 67).

Conclusion

This paper has been intended to show the housing assistance policies implemented by the Canadian state during the welfare state era helped produce an environment within which Canada's housing sector was moulded into a form concordant with the practice of neoliberalism and financialization. After WWII, when returning veterans fueled housing shortage pressures, the Canadian state used technocratic Keynesianism and fiscal federalism to facilitate the creation of then newfound sources of value production and social cohesion in the form of, a national housing market predicated on direct fiscal support and mortgage insurance and the permittance of bank lending for residential loans, all to spur home-ownership especially in what became suburban housing districts. The territorialisation of the state's housing policies also spread inwards from residential suburbs towards blighted urban spaces using strategies like slum clearance along with housing subsidization for people unable to afford home ownership.

The enactment of these federally led strategies by the state succeeded as a form of market federalism' to the extent that they helped generate a prosperous national housing market and social stability under the pretext of nation building. At the same time, the predominance of federal leadership in the development and administration of these housing strategies was at once a result of depression-weakened provinces and municipalities playing a cooperatively subservient role, and conditional upon these policies continuing to pay dividends in the form of growth and stability. These strategies that were characteristic of the welfare state era were themselves undermined by the poor planning of the federal public housing program, and that both federally and provincially funded social housing programs were singled out as wasteful public spending initiatives in the recession plagued 1970s. After which, the federal government reversed course and from thereon intervened in a manner concordant with neoliberalism, primarily to download responsibilities over HAPs onto the provinces and to facilitate avenues for financial capital to stimulate housing demand.

What this paper has demonstrated is that the trajectory of HAPs in Canada from the post-WWII era through the 2000s reveals them as being an important signifier of Canada's general thrust towards neoliberalism in the latter end of the twentieth century. Three interrelated phenomena appear to be what has driven this transformation in HAPs content and purpose in Canada over this time period, including the historical and socio-economic context in which these policies were enacted, how successful they were in terms of addressing housing needs and maintaining social cohesion, and the related perception of their legitimacy by those in charge of devising HAPs within the Canadian state.

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