

Senator LAMBERT: It is limited?

Mr. MOONEY: Yes.

Senator CRERAR: I have a few questions I should like to ask the witness. In the brief presented to the Prime Minister and his colleagues, which you quote at the end of your memorandum, it would mean substantial contributions by the federal Government for the purposes you have mentioned there, such as the cost of clearing blighted areas, the cost of financing main sewers and water mains, and new neighbourhood developments. Have you made any estimate of what amount of money would be required for that?

Mr. MOONEY: It would be a vast amount of money.

Senator CRERAR: Would you agree that if the federal Government did this for one city like Montreal it would be under an obligation to do it as a matter of policy right across the country?

Mr. MOONEY: Oh, yes.

Senator CRERAR: But you do not know what money would be required?

Mr. MOONEY: It would be of the range of many millions of dollars annually, Senator Crerar. If we are to get on with the job of slum clearance, if we are to get on with the job of urban renewal and re-development and make our cities functional for the times in which we live, to refurbish them as they need to be refurbished, to clear out the obsolescence, to make them fill the purpose which modern urban living requires, then there is a vast amount of municipal improvement re-development cost that has to be faced up to. The capacity of the municipal Governments of this country to undertake such a program will be limited of course by the amount of manpower available, the amount of materials available, and the amount of money available annually for such undertakings. But the program, before it would be finished, would be a program that would extend over a period of 25, 30, 40 years, and maybe longer. But the municipal Governments as of the moment are not in a position to initiate or undertake this task of urban renewal because they are unable to finance the costs involved.

Now, the idea is already provided for in the National Housing Act. The section on urban renewal and redevelopment has provided facilities whereby the federal Government will participate to the extent of 50 per cent with the municipality in the purchase and clearance of the land—the federal government will pay 50 cents on the dollar. Section 36 of the National Housing Act provides that you can use some of that land as you would want to do, and as a matter of fact legislatively are required to do, for a certain amount of public low rental housing, and the federal Government provides 75 cents on the dollar for capital cost purposes for such undertakings.

What we have said to the Prime Minister is that the 50-50 participation envisaged under the urban renewal sections is not in itself sufficient to enable the municipalities to venture in any large way into such costly undertakings.

Senator CRERAR: Mr. Chairman, I have listened with very much interest to Mr. Mooney's presentation. But may I say, Mr. Mooney, that your proposal vis-à-vis the federal Government is a two-pronged one—you are asking the federal Government first to make available a loan at low interest rates to municipalities of money for these developments and also to give outright grants. Now, the federal Government is finding it necessary in its financial program to issue long-term bonds at a rate of $4\frac{1}{2}$ per cent. You would want the money substantially cheaper than that, I suspect.

Then again, the requirements that you mentioned a moment ago would run into very considerable sums of money and the federal Government had a deficit this year of \$650 million or thereabouts, and the Canadian Tax Foundation of Toronto, which is a very responsible body, predict from their studies that these deficits will continue for a number of years.