

financing main sewers and watermains in new neighbourhood developments be financed by the Federal Government within the framework of the development provisions of the National Housing Act.

There will be some questions that members of the committee will want to ask me and, for which, I am at your complete disposal.

The CHAIRMAN: On behalf of the committee and on my own behalf, Mr. Mooney, I would like to thank you very much for your presentation at this time. The meeting is open to questions.

Senator LAMBERT: I was very pleased to see the emphasis you made upon the importance of municipal expansion as to sewage facilities. As you know very well we have in the federal district and in the municipality of the city of Ottawa a problem which has been given first priority by a joint Parliamentary Committee dealing with this question. Just in that connection I would like to ask you if I am not right in assuming that the province of Ontario, through its water resources legislation and its present commission, in which Dr. Berry has been very prominent, provides very liberal and generous financial assistance to any municipality within Ontario which wishes to establish a sounder method of sewage disposal and water supply than has existed in the past? I believe they have a plan, a 30-year amortization financing scheme, which is available to any municipality in the province. I understand too that this legislation is meeting with general support in this province.

I am emphasizing this because I think municipalities do not catalogue as strictly as they should and turn to real estate activities in suburban areas at the expense of something that is basic and fundamental, and I am inclined to think that a good deal of this housing may become a surplus commodity on the market.

Mr. MOONEY: I am not at all sure, Senator Lambert, that the policy of the Ontario Water Resources Board is as extensive as you suggested it is in so far as making low-interest money available for financing the cost of sewers for all municipalities in this province. Whether it could be extended to the cities of Ottawa, Hamilton, Toronto or Windsor, for instance, I am not sure. Certainly it has not been so extended as of the moment.

My impression is that the intention of the legislation is aimed at these municipalities who require these services but who because of their financial limitation are not able to finance the cost themselves. In practice the Board is probably assisting marginal municipalities who otherwise would be unable to proceed with such undertakings. The municipal governments are learning rapidly, Senator Lambert, the wisdom of planning their capital works programs and giving them priority. The capital works budget has become an important feature in the financial planning of most large cities, and there is an increasing practice to give priority to these projects. We have some interesting examples where this is not in effect but despite those examples it is fair to say that in general the policy of financed works planning is being pursued.

I do not share entirely the view, Senator Lambert, that new housing development in suburban communities—the housing stock that has been constructed—is threatening to become a glut on the market or that there has been an over-expansion or overdevelopment. However, there could be and we must be mindful of that possibility.

Senator LAMBERT: I think we have had evidence before this committee already that there is such a surplus.

Mr. MOONEY: It is possible there is a demonstrable surplus in some areas but this would not characterize, in my view, as I know this country, the overall situation at the moment.

The CHAIRMAN: And it would be at certain price levels too.