

Senator GROSART: On page 11 of your submission, you give the information that an individual must have an income equal to twice the amount of the rent before you can take him in to an institution financed by C.M.H.C.

Mr. PALEF: That is correct. But when it is arrived at, in this case of the bachelor unit, they take the \$51 a month rental, and from that they subtract \$11 to service that unit for light, heat and power, and so on. With the net amount of \$40, they take double that, and this is the minimum income a person must have in order to be eligible to apply for one of these units.

Senator GROSART: This would completely exclude a large percentage of aged persons who have no income other than the universal old age pension.

Mr. PALEF: That is correct.

The CHAIRMAN: I suppose in the strict sense, that is so.

Senator GROSART: Are they not completely excluded, because they have not anywhere near twice \$51?

The CHAIRMAN: No, twice \$40, which is \$80.

Mr. PALEF: This is the absolute minimum for the bachelor. To give you the full picture, the minimum is \$80, the maximum is \$200. This is the range. In other words, it goes from two to five times.

Senator GROSART: I don't think we are very interested in the maximum.

Mr. PALEF: In the case of the double unit, the rent we have there is \$60, and from that you subtract \$11, which makes \$49, and by doubling that amount, which is \$98, you arrive at the minimum for the one-bedroom apartment.

The CHAIRMAN: Any other questions?

Senator GROSART: What difficulties have you had other than those you have enumerated?

Mr. PALEF: These are very time consuming, because it means every time we require additional assistance from the City of Ottawa they have to go back to city council, which meets once a month, and before it is even submitted to city council it has to be approved by Board of Control. As a matter of fact, we were very close to having this complete project collapse just before the end of the year, that is, 1963, until the City of Ottawa put through a special by-law agreeing not only to make up the additional funds, but agreeing also to absorb and assume any deficit which might be sustained by virtue of its operation. The lenders of the money are not satisfied to make the loan available unless they have someone guarantee this deficit would be assumed.

I personally am not happy with rental rates. I think it is a compromise and not a solution.

The CHAIRMAN: What is the solution?

Mr. PALEF: I think to some extent the federal Government has got to assist these projects. To grant a loan at a low rate is not an answer. I think there has to be a uniform situation set up at the federal, provincial and municipal levels, and that instead of having the signed separate agreement with Ottawa and Ontario and a tremendously separated agreement with the C.M.H.C., there should be some attempt to simplify this entire procedure. I think simplification is in order.

The CHAIRMAN: Simplification is one matter; but you said a minute ago that the federal authorities should make some contribution.

Mr. PALEF: Well, perhaps in the form of a subsidy. It is not unusual or unnatural for a government to do so; it was done during wartime.

The CHAIRMAN: Not only that, but the new act provides for subsidization of public housing.

Mr. PALEF: Well, I believe it provides for a sharing of losses.