

public assistance programs, the cost, assuming payments in full to the providers of services, would have been an estimated \$115 million in 1963, distributed as follows:

	Aged 65-69 (\$'000)	Age 70 and over (\$'000)	Total (\$'000)
Physicians' services	18,823	44,458	63,281
Prescribed drugs	13,407	28,952	42,359
Dental care	1,930	2,854	4,784
Optical care	1,835	2,674	4,509
Total	<u>35,995</u>	<u>78,935</u>	<u>114,933</u>

In virtually all instances, the programs pay the providers of services less than the fees submitted, the discounting ranging from 10-15 per cent to 50-60 per cent of the full fee schedules. The trend appears to be towards a discounting of the order of 15 per cent. The figures of \$115 million could appropriately, therefore, be reduced to less than \$100 million.

(c) HOUSING

Low-rental housing accommodation for the elderly has been built in Canada largely by voluntary groups assisted by provincial capital grants in some provinces and by federal loans advanced under the National Housing Act administered by Central Mortgage and Housing Corporation.

FEDERAL AID

The most widely used method of financing low-rental accommodation for the elderly has been through the assistance rendered to voluntary non-profit groups by the long-term low-interest loans available to limited-dividend companies under Section 16 of the National Housing Act. Although no specific mention is made of elderly persons in the Act, many projects for them have been financed under the provisions of this Section.

Housing for the aged may also be built as part of public housing projects undertaken in accordance with Section 35¹ of the National Housing Act, which provides for federal-provincial sharing of the costs of constructing fixed or low-rental projects.

Loans made under Section 16 of the Act may equal 90 per cent of the lending value of the proposed project. They currently bear interest at the rate of five and three-eighths per cent per year and are repayable over a term of up to 50 years. Should a sponsoring group receive a capital grant from a governmental authority or private person, the federal loan may be less than 90 per cent in order to ensure some investment by persons in the community where the project is to be built.

To qualify for a loan a group must form a limited-dividend company. Any group of public-spirited citizens including service clubs, charitable foundations, church groups or business leaders wishing to provide low-rental accommodation for the elderly may form such a company. A loan may not be made to a municipal authority. Municipal governments, however, may participate in and subscribe to a limited-dividend company.

In requesting a loan a company must provide specific evidence of the need for the proposed housing project. Plans must be approved by Central Mortgage and Housing Corporation which must also be satisfied that the company will be

¹ The former Section 36 became Section 35 under the 1964 Amendment to the National Housing Act.