

the equalization of this alternative as between provinces....

"The Legislature of Quebec earlier this year enacted legislation providing for additional grants to universities on a basis of \$1.75 per capita of the total population as well as capital grants. The universities of Quebec accepted the funds accumulated with the Foundation and by March 31 of this year the distribution of the more than \$25 million had been virtually completed....

"The relinquishment of its charter by the National Conference of Canadian Universities and the conclusion of an agreement between the Minister of Finance and the Canadian Universities Foundation, together with the acceptance of the alternative arrangements which I have outlined, mark a new stage in the programme of university grants. The designation of the Canadian Universities Foundation as the agency of distribution in provinces which have not adopted the alternative plan provides a desirable continuity in the administration of this programme. I express my hearty thanks for the co-operation and assistance the NCCU has rendered over the years in this regard....

#### OTHER FORMS OF ASSISTANCE

"I have already referred to the report on university needs which the National Conference presented to the Government in 1958. In the course of that report it was indicated that in the ensuing five years Canadian universities would incur total capital expenditures of some \$314 million. I suspect that were that figure projected from today to take account of capital requirements for the next five years, this figure would be substantially higher. The requirements which your survey reflected were recognized in the report of the Massey Commission which again provides the origins for the history of federal capital grants to universities. The Commission reported that, under postwar pressures, the universities had been compelled to include new services and courses, and even when capital grants had been given them for new buildings the maintenance of these created new financial burdens. The Commission, however, did not extend its recommendations respecting grants into the field of capital assistance. This was left to be instituted as a function of the Canada Council.

"The Canada Council Act of 1957 provided for grants to universities and similar institutions of higher learning by way of capital assistance in respect of building construction projects and stipulated that the buildings towards which grants might be made should be for the arts, humanities and social sciences.

"The university capital-grants fund established by the Canada Council was credited with the sum of \$50 million from the Consolidated Revenue Fund. To date the Council has paid capital grants to universities totalling some \$11 million and has approved grants in the sum of nearly \$22 million. As of May 1960,

the balance available in the fund for grants amounted to approximately \$34,700,000.

#### CANADA COUNCIL CONCEPTION

"As I have already indicated, one of the main motives in establishing the Canada Council was to provide the same sort of assistance in the graduate field for the humanities and social sciences as the National Research Council had long been supplying in the natural sciences. Although not a form of direct assistance to university administration, perhaps, the Canada Council's programme of scholarships and grants contributes substantially to Canadian scholarship and thus to the quality of our academic community. This it accomplishes through support of postgraduate work in Canada and travelling scholarships and grants for Canadians abroad and non-resident teachers and students in Canada. A rough estimate indicates that about one-third of the Council's scholarship and grant programme for the three years 1957-58 to 1960-61 has been devoted to this important task.

"I have spent some time outlining the expenditures on federal assistance to Canadian universities through university grants and capital assistance. This, however, by no means covers all the expenditures incurred by the Federal Government for direct assistance to the universities. To enumerate such a list would cover a wide range of activities, Federal Government departments and agencies. The bulk of such additional forms of assistance is, broadly speaking, related to research activities. The most significant of these are the grants in aid of research and scholarships provided by the National Research Council which have grown from a total of about \$2.5 million in 1955-56 to over \$8 million in 1959-60, and for the past five fiscal years in the aggregate amount to nearly \$25 million. Grants for various research activities are also provided by the Departments of Agriculture, Citizenship and Immigration, Fisheries, Labour, Mines and Technical Surveys, Public Works, National Defence, chiefly through the Defence Research Board, the Atomic Energy Control Board, Eldorado Mining and Refining Limited and Central Mortgage and Housing Corporation. They range from such projects as the development of a coal-fired gas-turbine engine to a contribution to the installation of an atomic research reactor at McMaster University, towards which the National Research Council, the Atomic Energy Control Board and the Defence Research Board contributed some \$940,000....

"Besides these additional grants to universities for research activities, the Federal Government has provided direct assistance to the institutions of higher learning through an amendment to the Income Tax Act two years ago which raised the permissible corporate tax deductions for donations to universities from 5 to 10 per cent of gross profits. In effect