

Dr. W. T. R. Flemington is President of Mount Allison University, and President-elect of the National Conference. Dr. T. H. Matthews is the Executive Secretary of the National Conference.

The CHAIRMAN: Thank you. There will be an opportunity now for honourable senators to ask questions.

Senator CRERAR: I would like to ask the witness if his proposal would mean that Central Mortgage and Housing Corporation would advance the total cost of the dormitory buildings, for under the principle followed in the past C.M.H.C. has not paid the total cost of putting up such apartment blocks but it has sometimes put up a substantial part of the cost.

Dr. STEWART: Our view is that the answer to this would depend upon the rates of interest and the length of the amortization period. If we are thinking of 4 per cent as an interest rate over a 30-year period, then it would not be possible for the universities to finance the full amount of the construction of residences on these terms. We cannot load the cost of that on the students. We would have to have other funds as well to put into construction.

Senator CRERAR: I was merely exploring the matter. It would be rather difficult for the universities to find the funds unless they got them from provincial sources.

Dr. STEWART: I think I can express our view in this way, that this would be a help in that the funds that we can divert to residences out of grants and loans will be quite inadequate in relation to the need. Now, if we can supplement these funds by loans at low rates of interest I think we can proceed with some residences.

Senator CRERAR: And do you think it can be handled if Central Mortgage and Housing Corporation put up 80 per cent?

Dr. STEWART: That would be a substantial help.

Senator CRERAR: Would it be possible to carry the project through?

Dr. STEWART: Not without some other funds, unless you push down your construction cost to a very temporary type of building.

Senator CRERAR: Of course, that is wholly inadvisable. I expect the universities will be here for 50 or 100 years—I hope for 150 years or longer, and it is important to get your opinions as to a substantial type of building as possible which will endure.

Dr. STEWART: Yes.

Senator CONNOLLY (*Ottawa West*): Have you any yardstick as to what the amortization period and what the interest rate might be, given conditions today?

Dr. STEWART: I hesitate to answer that, but we have used the rate of $4\frac{1}{2}$ per cent for thirty years on the assumption that perhaps that is realistic.

Senator CONNOLLY: That might be realistic. On that basis from the point of view of Central Mortgage and Housing Corporation, do you think any university that undertook a project would be able to liquidate its loan in that period from ordinary revenue?

Dr. STEWART: I would say it should be put on that basis. Now, if that is so, I think we have to have some other non-interest bearing money in the project to make it possible for us to build the type of residence that we would like, to keep the cost at about a reasonable level.

Senator CONNOLLY: I would suppose, too, that the Conference would expect that each application would be dealt with on its own merits. It is not a blanket application, not a blanket type of proposal that you are making, it is simply an amendment to Section 16 which would permit loans for these purposes in proper cases?