

and it was a program of capital grants to universities. This was a separate account in the Council and this program is being completed in these years. Actually, all the decisions have been taken in the Council and it is mostly now a question of making final payments.

Apart from this program, which was to subsidize the physical development of Canadian universities, and this was started 12 years ago, also when the Council was established a \$50 million endowment fund was given to the Council to foster the growth of the arts on the one hand and the humanities and the social sciences on the other hand. What the Council does for the humanities and social sciences is expected to be roughly what the National Research Council and the Medical Research Council do for the physical and the medical sciences. So we are, if you like, the parallel organization to the NRC and the MRC for the social sciences and the humanities but we are something very different when it comes to the arts because we are by ourselves in this field.

• 1130

For something like eight years the Council lived on the yield of the \$50 million endowment fund. That takes us to something like three or four years ago when, after representations were made to the government on the ground that the Council could not be expected to sustain growth if it had to live with a fixed income, the government eventually recommended a first parliamentary vote to the House and \$10 million was voted, of which both capital and interest could be used. So, in 1965-66 our budget went up. We started by using one third of that amount in the first year and in the second year we went to the government and asked them whether they would be prepared in the following year to recommend a second parliamentary vote on the understanding that in that year we would use up the remaining two thirds of the \$10 million, which we did.

So, in 1964-65 we were spending something like \$3.5 million; in 1965-66 we were spending almost \$7 million; in 1966-67 we were then spending \$10.8 million, or roughly this amount, and last year we received from parliament a \$17 million vote for that single year.

This obviously means that throughout that period the Council has developed a quite different kind of approach to its constituency, and the government and parliament have been prepared to take the Council to the level

of financial capacity where it could start supporting, let us say, the social sciences and the humanities somewhat on the same level as is being done for the physical and the biological sciences. This was very largely the argument behind this. So that gradually the part of the Canada Council budget which is devoted to aid to research in the social sciences and humanities has grown to take a more important share of the Council's budget. Four years ago the money was almost equally divided between the arts and research. It is now more like two thirds for research and one third for the arts. When we were discussing these things with the government, we had made a forecast of what we thought we would need, what we thought we could use, what we thought the government could recommend for us.

It was, of course, a mixed forecast because it was not just straight requirements, and we asked for 17 million for last year, and at that time we suggested that \$21 million could be requested this year.

Last year the government agreed to recommend this \$21 million which is now in the estimate book minus the 2 per cent, I think, which at the last minute was deleted from all votes.

On the other hand, it is a fact that this year the National Research Council and the Medical Research Council will have amounts recommended for them in the House which represent not a 20 per cent increase, as is the case for us, but more like a 33½ per cent increase, so that we are falling slightly behind in this respect because of the prior understanding the government had of our requirements.

So this year in the light of that we decided to pace our expenditures last year, and we decided to withhold an amount of \$1.25 million which we shifted to this year. So actually this year, if we secure the \$20.6 million from the House, we have on top of that our usual yield from the endowment fund, which is now around \$4 million a year.

• 1135

We will have the amount of money that we saved from last year in order to level the decrease in our growth, and we also have additional programs which are financed separately. For example, we run a program of cultural exchanges with countries abroad for