

the first year was a short year. A quick look at the chart will indicate that the difference between the two columns is the amount we took from the "Kitty" to meet our deficit. We have at the present time about a half million dollars in reserve, which we have carried on.

Many suggestions have been made as to how this money should be disposed of. One is that with 1967 approaching and the inevitable Centennial celebrations it might be a good idea for the Canada Council to have some amount over and above its annual income to do extra things.

Senator MACDONALD: I recall when you gave the number of grants that it ran somewhere about 25 per cent for each of the applications, and when the applications were in greater numbers the percentage was still about 25 per cent.

Dr. TRUEMAN: Are you thinking now perhaps of scholarships and fellowships?

Senator MACDONALD: Yes. If you have a limited amount of money, unless you reduce each scholarship, how do you handle it?

Dr. TRUEMAN: That can be explained in two ways. During the second year we allocated from our total fund a rather larger amount for scholarships and fellowships. We were not dealing with quite the same amount of money as we were in the first year. Then we adjusted the amount of scholarships. We say in our pamphlet describing our scholarship and fellowship program that they are of the average value of thus and so. We adjust the values of scholarships in accordance with circumstances: for instance, if an applicant is a married man with two children, working towards his Ph.D., we try to allot him up to the full value; on the other hand, if an applicant is a single man working towards his Ph.D., instead of giving him \$2,000, he may get \$1,400 or \$1,500. Then, when we begin to run short, as we do at the end of the year, we may ask certain types of applicants if they would prefer to have \$1,000 to undertake the program, supplemented by their own resources, or to have no assistance at all. In that way we sometimes spread \$5,000 or \$6,000 around among five or six people, whereas, if we gave the full amount there would be only two scholarships.

Senator BURCHILL: You allocate the scholarships as best you can all over the country?

Dr. TRUEMAN: We hope it works out that way. Council has set its face against breaking the endowment into mathematical proportions, and allocating so much here and so much there. We want to live, and we want to keep the peace.

Senator REID: May I ask, why would Edmonton bonds be payable in U.S. funds?

Dr. TRUEMAN: This is a rather abrupt dive into something beyond my scope. I would be glad to ask Mr. Fullerton why that is so.

Mr. FULLERTON: The loan with respect to the Edmonton bonds was negotiated in the United States, and therefore is payable in the funds of that country.

Senator HIGGINS: What is the amount of the fund at present? Is it \$53 million? Are you allowed to spend any of the capital?

Dr. TRUEMAN: Of which fund are you speaking?

Senator HIGGINS: The fifty million dollar fund.

Dr. TRUEMAN: We have two fifty million dollar funds. There is the University Grants Fund of fifty million—

Senator HIGGINS: You can spend the capital there?

Dr. TRUEMAN: Yes, that is the purpose of it.

Senator HIGGINS: But what about the other fifty million dollar fund?

Dr. TRUEMAN: No, that is an endowment fund. It continues in perpetuity.

Senator HIGGINS: But you can carry over the income to the next year, and then spend it?

Dr. TRUEMAN: Yes, but we are not in that position. We spend our income without any trouble.