

The average grant per full-time student at the eligible institutions in the nine provinces in receipt of grants for 1963-64 was \$271, down from \$297 for the previous year. This drop is explained by the fact that full-time enrolment increased at a greater rate than the total population. After having accepted the grants in 1951-52, all universities in the Province of Quebec refused them in subsequent years due to the government of the province regarding these grants as violating provincial autonomy in education. From 1956-57 to 1959-60 Quebec payments were held in trust by the NCCU and CUF while unclaimed grants for the earlier years were forfeited. A resolution of the difficulty was reached in 1959. The grants from 1956-57 to 1959-60 were approved for payment and beginning in 1960-61 Quebec universities received grants from the province based on \$1.75 per capita of provincial population. This resulted from an amendment by the Parliament of Canada of the Federal-Provincial Tax-Sharing Arrangements Act which allowed any province to collect an additional one per cent corporation income tax for the purpose of paying grants at the minimum rate set for the rest of Canada. Quebec rates were raised in 1962-63 to correspond with the increase to \$2.00 per capita.

Another large federal contribution is made through the Canada Council for the Arts, Humanities and Social Sciences. Plans to form the Council, which had been suggested in the 1951 Report of the Royal Commission on National Development in the Arts, Letters and Sciences (the Massey Commission report), were announced in November 1956. The Council was granted \$100 million, half of which together with accrued interest, was to be distributed to Canadian institutions of higher education over the 10-year period for specific building or capital equipment projects that were in the fields of the Council's interest. Eligibility and payment were based essentially on the scheme used for university grants. By March 31, 1964 grants totalling \$54,162,000 had been approved.

The interest on the other \$50 million was to be used to assist the development of the arts, humanities and social sciences through graduate scholarships and grants to individuals and organizations in these fields. About \$2,700,000 was made available in 1963-64.

Since its inception, the Canada Council has from time to time received donations from private sources to add to its funds, and has been able to begin award programmes in certain other fields. Further information on the activities of the Council can be found in its annual report (obtainable from the Council's office at 140 Wellington St., Ottawa, Ontario), and in the Canada Council News published four times a year.

A bill to establish the Canada Student Loans Act, authorizing individual loans of up to \$1,000 a year to full-time post-secondary students, came into force on July 28, 1964. It provides for loans to be made to students with satisfactory scholastic standing who are Canadian citizens or who have resided in Canada for at least a year and intend to continue to reside in Canada. The loans are interest-free while the borrower remains a student and for six-months thereafter, the Federal Government paying the interest during that time.

The loans, which will be guaranteed by the government in case of default, and insured in case of the death of the borrower, must first be authorized by provincial authorities. Loans can then be made by banks, credit unions or other co-operative credit agencies from their own funds, and are not to exceed a total of \$5,000 for any one student. Repayment of principal and interest (about 5 3/4%) by the student need not begin until the last day of the seventh month after the month in which full-time studies ended. No interest is chargeable to the student until after the end of the sixth month following the month in which he ceases to be a full-time student. Thus if the student repaid the loan in full at any time during the six months after cessation of full-time study, he would pay no interest at all.

The maximum yearly limit for the loans (\$40 million expected for 1964-65) will be apportioned among the provinces on the basis of each province's proportion of the total number of Canadians in the age group 18 to 24 inclusive. The Act provides for equivalent compensation for those provinces not taking part in the Canada-wide plan. This compensation will be calculated on the basis of the cash cost to the Federal Government of operating the plan in provinces where