

The ACTING CHAIRMAN: That is to be found at pages 50 and 51 of the report, honourable senators.

Mr. HENDERSON: Yes.

With respect to the Endowment Fund, the report shows that interest and dividends earned on investments during the financial year 1958-59 totalled \$2,758,760 to which was added the unexpected balance of \$771,871 brought forward from the preceding year, making a total of \$3,530,631 available for expenditure. Expenditures amounted to \$2,960,757 consisting of \$2,666,299 for authorized grants and awards, \$269,838 for administrative expenses and \$24,620 in respect of direct outlays on behalf of the Canadian National Commission for UNESCO. Expenses relating to this Commission and also to the administration of the University Capital Grants Fund are included in the administrative expenses of the Endowment Fund. The surplus remaining at March 31, 1959, available for expenditures under section 16 of the Canada Council Act thus totalled \$569,874.

An outline of the manner in which the investment portfolio of the Fund was managed during the year is given in Part Seven of the Annual Report of the Council. Under section 19 of the Act, the Council has authority to invest and reinvest. The Investment Committee of the Council approved purchase of securities during the year to a total figure of \$55,821,601 representing a turnover ratio of 1.12 times during the year in terms of the \$50,000,000 original principal amount of the Fund. The interest yield for the year in relation thereto was 5.5%.

With respect to the University Capital Grants Fund, the balance at credit of this Fund at March 31, 1958, was \$48,250,685. Interest on investments amounted to \$1,812,384 and net profit on the disposal of securities was \$1,101,832. After providing \$8,732,264 for authorized grants under section 9 of the Act, a balance of \$42,432,637 remained at the credit of the Fund at the end of the year.

In the 1957-58 audit report, information was given regarding those grants made to Universities for student residences. The nature of these came up for discussion before the Public Accounts Committee and was referred to by the Committee in its Third Report, 1959, although no suggestion or recommendation regarding the matter was made by the Committee.

In April 1958, the Council obtained legal opinion regarding the question: "Could a grant be made for a building to be used as a students' residence?" In answer to this question, the opinion stated:

"Yes, provided the proposed residence to be established and operated is more than a mere rooming or boarding house, so that its existence and operation may fairly be said to be in furtherance of the Council's objects as defined in section 8(1) of the Act. Drawing a precise line in this respect is not easy, and indeed is probably not necessary. Clearly the inclusion in a residence of such facilities as a library, music room, common room, discussion room and so on, with a warden and possibly one or more members of the faculty living in, makes such residence much more in the developing life of a resident student than a mere rooming or boarding house."

Our examination of the grants made to universities during the year ended March 31, 1959, disclosed that those made for students' residences during that year were for residences having the facilities suggested by this legal opinion.

Enquiries have been made regarding grants made for student residences during the financial year just ended, that is, to March 31, 1960. The following table shows the grants approved for students' residences during the three years ended March 31, 1960, in relation to the total grants approved for the construction of buildings, and shows a drop in this relationship during 1959-60: