

the Government or one of its ministers can make such a resolution to Parliament. But I do believe it would be wise at least to consider that a report of some nature be made by this committee to the Canada Council. I do not say we should make it, but we should consider it, if we agree, as I hope we will, with the submission now before us.

My suggestion is that in addition to the recommendations to be contained in our report to the Senate that the Government should bring about this change in the National Housing Act, we should also suggest that the committee discuss the matter with the Canada Council in order to bring to their attention the proposal made to us this morning, which I think is an excellent one, and which we should do everything we can to help.

Senator BURCHILL: Mr. Chairman, I want to clarify an answer given by Dr. Stewart. Did I understand you to say, sir, that the annual grant, or the operating grant, from the province of Alberta was \$4 million?

Dr. STEWART: No, that is our capital building construction. This year our operating grant is a little over \$3 million.

Senator BURCHILL: That would make a total of around \$7 million?

Dr. STEWART: A total of \$7½ million this year from the province.

Senator LAMBERT: That is entirely a provincial grant?

Dr. STEWART: Yes.

Senator ROBERTSON: Dr. Stewart, following the question of Senator Molson, what you are proposing is that the National Housing Act be amended to make it possible for the Central Mortgage and Housing Corporation to lend money for this purpose. I take it, the equity capital, if you like, of 20 per cent would be secured from this source or that; so that it would boil down to the idea of your getting a loan of whatever amount is agreed upon over a long term. Are the rates of interest you suggest lower than the rates of interest presently charged on loans made by C.M.H.C.?

Dr. STEWART: I can't give you a definitive answer to that, because I am not sure what they are doing, but my understanding is that 4¼ per cent is about the level.

Senator ROBERTSON: If it is a lower rate than that at which C.M.H.C. finances its mortgages, then it has to be a subsidized rate of interest—somebody must pay it. Are you suggesting that C.M.H.C. deviate from its ordinary policy, and lend money to universities at a lower rate of interest?

Dr. STEWART: I would personally not recommend that, but we do understand that in the United States these funds are available at 3 per cent. Of course, I admit it is different in the States.

Senator ROBERTSON: That may be done by some special grant. But it would seem to me that the simpler method of handling loans for the construction of university residences would be to concentrate on the term, rather than on the interest rate. It seems to me that to interfere with the interest rate would result in all sorts of complications. It would mean that Central Mortgage and Housing Corporation would be lending money to A at one rate, and to B at another rate, and it would result in hopeless confusion. In other words, the nature of the university residences, and the university itself, being a long-term proposition, you would do better by concentrating on the longer term rather than on the subsidized interest rate from C.M.H.C. To vary the interest rate would mean certain changes in legislation; and of course, you must remember that interest is a very important consideration. The rates are changing very materially; indeed, I have no doubt they have changed since the time this document was prepared.