

Federal Government .....	19.3%
Provincial Governments .....	38.9%
Endowment income .....	3.5%
Student fees .....	26.6%
Corporations and foundations ....	3.2%
Other sources .....	8.5%
	100.0%

In recent years both current and capital expenditures have risen rapidly. For 1958-59, for example, current expenditures (including sponsored and assisted research but excluding ancillary enterprises) for all institutions amounted to \$121 million and capital expenditures, an estimated \$52 million. For 1962-63 the figures were \$238 million and \$112 million respectively.

#### Federal contributions to higher education

Under the terms of Confederation (the British North America Act) in 1867, each Canadian province is responsible for the establishment and administration of education within its borders. There is no Federal Ministry of Education. The Federal Government is responsible only for the education of native Indians, Eskimos, children in territories outside the provinces, inmates of penitentiaries, and members of the armed forces and their families on military stations in Canada and abroad. The Federal Government does, however, contribute to higher education costs in a variety of ways through several of its departments.

The financial contributions of the Federal Government include: the University Grants Programme; assistance to students by the Department of National Defence through the Regular Officer Training Plan; aid to veterans and to children of war dead by the Department of Veterans' Affairs; awards by the National Research Council to graduate students in pure and applied science; grants by the Department of National Health and Welfare; vocational-training grants by the Department of Labour, made through provincial government authorities; and certain other awards.

In addition to money for such student awards, several million dollars of federal funds are made available annually for research in the universities. For 1962-63 over \$18 million was reported in this category. A further form of federal assistance is through loans of up to 50 per cent of the construction costs of student residences. The government has allocated \$100 million for this purpose, repayment not to exceed 50 years and the rate of interest to be the government's long-term borrowing rate which at present is about 5 1/2 per cent.

The largest federal contribution is in the form of annual grants to universities and colleges for current operating purposes. These grants were first paid for the 1951-52 academic year when roughly \$7 million was voted by Parliament to be paid on the basis of 50¢ a head of the population in each province. Distribution within each province was made on the basis of eligible full-time university-grade enrolment in the various eligible institutions as a proportion of the provincial population. Grants at the 50¢ rate were paid until 1956-57. In that academic year the grant was raised to \$1.00, and payment was made by the Government to the National Conference of Canadian Universities, which distributed the money among the eligible institutions. In 1959 the NCCU was reorganized to become the National Conference of Canadian Universities and Colleges, with the Canadian Universities Foundation being incorporated as its executive agency. Distribution of University Grants became the responsibility of the CUF. Beginning with 1958-59 session, the Federal Government increased the grant to \$1.50, and from 1962-63 it was raised to \$2.00.