

Senator CROLL: Will you take a look at those two figures on realized profits. These two figures are almost comparable and yet are so staggeringly different—realized profits.

Dr. TRUEMAN: Well, the year 1957 was a short year. The Canada Council was not formed until that year, and our first meeting was on April 30th or May 1st and so we did not get into operation on the investment programme until later on. I presume that is the correct explanation, is it, Mr. Fullerton?

Mr. D. FULLERTON: Partly.

Senator CROLL: What is the other part?

Mr. FULLERTON: The Conversion Loan took place in that year in 1958-59, and a substantial profit was realized on that.

Senator BARBOUR: Did I understand that at the end of the year you have only \$42,433,000 now in the capital account?

Dr. TRUEMAN: That is right.

Senator BARBOUR: Do your by-laws allow you to spend more than the interest each year?

Dr. TRUEMAN: No. We spend the capital. You understand that out of this \$50 million we make large capital appropriations, and so far all the authorized payments and grants to universities have been made out of this initial capital sum; the profits and the interest have been kept to one side, as it were, and that is a matter concerning which the council is now asking itself questions.

Senator BARBOUR: Is your fund now reduced to \$42 million?

Dr. TRUEMAN: It is below that. This is for the year ending March 31, 1959. We have authorized \$22 million—\$34,600,000 perhaps is available, that is \$50 million, minus \$22 million plus interest and profits.

Senator WALL: A propos of the distribution of that realized profit, and the problem that the university is considering, will that be done without prejudice to institutions that have already received grants and should get a little bit of the profit too?

Dr. TRUEMAN: Those are the questions which are being raised and discussed. One question, of course, is this: is the distribution of the interest being tied to the amount of money which a given institution has already drawn down. We have had to allocate this sum amongst the universities, first amongst the provinces in accordance with the act, that is on a population basis, and then in accordance with the Canada Council policy of determining a list of eligible institutions, and then in conformity with our policy and formula we allot sums among the universities—in this province of Ontario, for instance, to McMaster, Toronto, and so on. If the university has drawn down the greater part of its allocation from this fund this question certainly arises: to what extent and in what way should it participate in the distribution of the interest. It is a nice question.

Senator WALL: May I ask a question that is not quite tied to this. In the allocation of the funds within the provinces on a student basis is there anything to the criticism that I have heard voiced by small colleges, which are mainly arts colleges, that they suffer because a large university obtains its share of this capital grant on its total student population, that is engineering, science and others as against the lower enrolment in the arts colleges, which are heavily humanistic, if I may put it in that sense, and this fund is really in its essence directed to the humanities and the social sciences and the arts, and by virtue of that formula they suffer a relative discrimination because they specialize in humanities and social sciences.

Dr. TRUEMAN: This has been a difficult question. We have consulted with the universities again and again on this point in order to try to arrive at the best