

towards the making and completing the said Navigation," together with a percentage specified in the Act. (*See William IV., c. 11., ss. 40-42*). The Act further provided that the said navigation should "from the time of such assumption, in manner aforesaid, appertain and belong to His Majesty, His Heirs and Successors." This provision was specially added to the Act of Incorporation during its passage through the Legislature. (*See Journal of 1831, pp. 63, 64*).

COMPANY COMPLETED THEIR CANAL IN 1834.

9. Your Committee find that the Company completed their works in 1834, on which were said to have expended from \$17,000 to \$28,000; and that they operated the same as a Canal for some years up to about 1849 or later. The entries in the University Cash Book show that the Company paid to the University the interest on these bonds up to the 30th June, 1843. By the University Act, 16 Vic. c. 89, the title to these bonds, and the right to recover on them, became vested in the Crown on the 22nd April, 1853, as trustee for the University.

CROWN TOOK POSSESSION OF THE COMPANY'S WORKS BEFORE THE EXPIRATION OF THE STATUTORY LIMIT OF FIFTY YEARS.

10. From an examination of the Parliamentary Reports, your Committee have ascertained that instructions were given by the Department of Railways and Canals to the Government Engineer in 1881, to make a survey of the old Company's Tay Canal with a view to the construction over it of a branch canal from the Town of Perth to the Rideau Canal; and that the Engineer's report on such survey giving a statement and estimate of the proposed works, was made on the 10th November, 1882; (*See Canada Sessional Papers, No. 8, of 1882, p. xxxv, and No. 8 of 1883, p. 119.*) From these it would seem that the Dominion Government, on behalf of the Crown, in 1882, and before the expiration of the 50 years mentioned in the Company's Special Act of incorporation, entered upon and took possession of the property and works of the Company, and constructed on the same, or part of the same, what is known as the "River Tay Canal," which by Order in Council, passed in 1890, was declared to be part of the Rideau Canal and to be known as the "Tay Branch." Extracts from the Reports of the Minister of Public Works for 1867, and for 1882, relating to the River Tay Navigation and Canal, are appended hereto as Appendix Nos. 2 and 3, and from the Report of the Minister of Railways and Canals for 1882, as Appendix No. 4.

CLAIM SHOULD BE FURTHER INVESTIGATED.

11. Your Committee recommend that the claim of the University respecting this asset of the Endowment should be further investigated, so as to ascertain whether the claim can be enforced against the Dominion Government. And also whether such taking of possession subjected the Crown to the statutory provisions as to payment prescribed by the Act of 1831, and, if so, to the debt due by the company on the Bonds or Debentures held by the University; also, whether the Province, on behalf of the Crown, as trustee for the University, was, since 1853, entitled to a lien for the amount of these