

Having thus referred to the nature of their investigations, and the manner in which these have been carried on, the Commissioners now proceed to consider the various subjects of enquiry under appropriate heads.

ENDOWMENT.

A munificent provision was made for academical or higher education in Upper Canada by the appropriation of upwards of 226,000 acres of land, exclusive of the park situated within the limits of the City of Toronto, and containing about 150 acres.

Originally of little worth, these lands increased in value by the growth and prosperity of the Province, and from 206,493 $\frac{3}{4}$ acres sold, has been produced the sum of \$1,338,903.63. The balance of unsold lands amount to 18,310 $\frac{1}{2}$ acres, as shown by the abstract from the Bursar's return, [No. 54 App.] and the value estimated by him at \$167,049.95. [No 48 App.] To have verified this return by an examination or appraisal of each lot, would have entailed long delay and heavy expenses. Having full confidence in the judgment and long experience in such matters of Mr. Buchan, the Commissioners accepted his estimates, which they believe will be rather exceeded than otherwise in the result. It is true, as may readily be understood, that the most valuable lands have been sold, but the estimate placed upon the remainder is a prudent one, and with the growth of the districts in which they are situated, their value will be advanced. It must be borne in view, however, that unsold lands yield little return, the old system of leasing lots having, for satisfactory reasons, been abandoned.

The balances due on lands sold amount to \$299,863.75. [No. 46 App.] To this must be added a large balance on sales reported by the Bursar as "doubtful or bad," and therefore not included in the foregoing sum. Such are estimated, allowing a large deduction, when resold, to produce \$63,420. These sums present an aggregate of \$363,283.75 of principal, besides interest due thereon up to 31st December, 1861, amounting to \$34,365.73, and form important items in the assets of the University Endowment. [No. 46 App.]

The Commissioners directed their close attention to this statement, and more especially to the large amount of principal thus found to be overdue on sales returned good. So long as purchasers of University lands pay their interest, very little pressure is used to call up overdue instalments of principal, and as the rate of interest charged is only 6 per cent., much lower than the ordinary rate throughout the country, the parties, as a general rule, are naturally not anxious to pay up in full. The chief objection to this system is that it entailed extra labor, and required the employment of a much larger staff in the Bursar's office than would have been necessary if the funds thus allowed to remain outstanding had been collected and invested in debentures.

The large amount of overdue interest, amounting, as stated, to \$34,365.73, also attracted the Commissioners' attention, and is still more open to objection, from the fact that no revenue can be collected from the funds thus lying dormant. For some time past the Bursar only placed in suit such cases "as absolutely and urgently required the intervention of a Solicitor," and has in the great majority of cases contented himself with sending out circulars threatening legal proceedings.

The whole endowment should be realized as soon as practicable, and the result would be greatly to lessen the expenses of management, as well as to secure safety and regularity in the annual collection of interest or revenue. While venturing to express their views strongly upon this point, the Commissioners attach great weight to the Bursar's opinion, that farmers cannot pay rapidly or regularly the purchase-money of their lands, and that great hardships would be caused were stringent rules to be enforced.

The course indicated could easily be carried out with judgment and with due regard to the interests of settlers upon University lands, whose position would be similar, in many respects, to that of purchasers under the Canada Company. It is due to the Bursar to state that a very great improvement has been effected in the management of the lands during the last few years, and that he has reduced the amount of overdue interest on lands sold, from \$48,761.80., when he entered office, to \$34,365.73 at date of his last return, notwithstanding the large increase in the sales during the period referred to.

The amount invested in Bank Stock is very trifling, viz: in Bank of Upper Canada, \$690 at par value, and \$750 in Gore Bank.—Total \$1440. [No. 5 App.]