

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 labour 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 attached 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.]

The sum invested in mortgages is not large, being \$66,374, but it should be noticed that these are all overdue, and yield only 6 per cent. The Commissioners are of opinion, that an investment in first class debentures would be preferable, if no higher rate of interest than the above can legally be charged. [No. 55 App.]

The debentures held on 31st December, 1861, amounted to \$356,047.08, [No. 6 App.] from which \$2,000 must be deducted for Tay Navigation Debentures, now valueless.

This mode of investment has been followed with much judgment with the exception above referred to, and a careful examination of the