President's Office.

March 28th, 1911.

Principal Peterson,

McGill University,

Montreal.

My dear Principal:

Our Committee met and considered very carefully your reply to the suggestions contained in my letter of February 15th. The Committee hold strongly to their opinion as to the financial arrangement for the first three years.

Our Committee met and considered very carefully your reply to the suggestions contained in my letter of February 15th. The Committee hold strongly to their opinion as to the financial arrangement for the first three years, which I outlined in my last communication, namely, that seventy-five per cent of the net receipts from Ontario should be given to Toronto and twenty-five per cent to McGill; that seventy-five per cent of the net receipts from Suebec and the Maritime Provinces should go to McGill and twenty-five per cent to Toronto, and that the income from the remaining Provinces of Canada should be equally divided; subject, however, to the provise that should the net return to Toronto not amount in any year to the average net yearly return received during the past three years the deficiency is to be made up from the remainder of the net receipts, and the balance then paid to McGill.

They do not think that the difficulty of keeping track of the examiners' expenses would be serious.

With regard to your other suggestions, it appears to us that your view of a Board of oversight and its chairman is somewhat different from ours. We are willing that there should be a Board consisting of two members from each University. This Board might meet alternately in Toronto and in Montreal, and at each meeting the chairman

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