

Appendix
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With regard to Nos. 4, 5, 6, and 9, the Bursar gives the estimate of what he considers may be at present spent in anticipation of their future collection.

But the Committee do not consider it necessary to enter into the discussion of the accuracy or inaccuracy of this estimate, as it appears to them unquestionable that for some years it may be occasionally necessary to pay the annual expenses from some other source than the mere annual income collected from these sources regarded as capital.

This was the opinion of the Finance Committee in 1842, and it was on the supposition of the necessity of this that their Report was based.

The following extract from that Report will sufficiently explain the opinion of the Committee and of the Council: "In the account current, £4,000 is entered as the charge on account of the University for the present year, and £4,000 to procure books and instruments, to furnish the Museum, Laboratory, and incidental expenses; £18,000 is appropriated as a building fund, to be expended within four years from this date; £2,145 is allowed as the annual charge on account of Upper Canada College; £1,500 for the expenses of the Bursar's Office, which includes keeping the grounds in order and sundry incidental expenses. The several sums required to be borrowed may be taken from the incoming capital of the Institution, the receipts of which will probably fully meet these demands."

The debt proposed to be incurred will be repaid in 1865, when the annual income will amount to £14,000, together with the rents which may be receivable on 70,000 acres of land, which will yet remain unsold.

The Committee have assumed that 6,400 acres of land, which is below the average amount of annual sales, will be sold annually at an average price of £1 5s. per acre, until all the lands now under lease and improved have been disposed of, viz.: about 96,000 acres.

To this Report is subjoined a paper, giving the estimated expenditure on account of the University and Upper Canada College, from 1842 to 1867, in which the interest of the sums borrowed from capital is charged.

The Report is well worthy of careful consideration, as it fully manifests the principle on which the present or even increased charges may be met without impairing the Endowment. To this also, it is right to add, that the sum borrowed during seven years from income, may be repaid to it out of incoming capital. The Committee having attentively examined the subject, have arrived at the conclusion, that there is no reason to apprehend that the capital will be encroached on by maintaining the present expenditure, if the principles recommended in the Report of the Finance Committee in 1842 be carried out. In this Report, they conceive, an improvement may be effected as to the income estimated there, if a portion of the capital instead of being invested in Debentures yielding a fixed interest, were invested in lands yielding an equal or higher interest, and which would increase in value with the improvement of the country. It seems also worthy of consideration whether the Corporation might not legitimately and advantageously apply a portion of their surplus to the purchase of wild lands at the Government prices, in localities where improvement is expected.

Before concluding this Report, the Committee feel it to be due to themselves to notice an observation of the Memorialist on "the Sub-Committee to whom is entrusted the sale of College Lands." "They are," he states, "gentlemen inexperienced and wholly unacquainted with the value of lands in the country, and consequently in no respect qualified to fulfil satisfactorily the important duty required of them."

Although the Sub-Committee readily admit that they have not had the same kind of experience in land transactions as the Memorialist has had, and have no desire to compare their reputation in matters of this nature with his, yet they do not believe that the interests of the Institution have suffered from their management of the affairs which the Council entrusted to their care; nor can they omit remarking that the Memorialist was himself more than once asked to act as a member of that Sub-Committee. He declined, it is true, on the ground that

he did not wish to be a party to the alienation of the Estate of the University by sale, but yet (it appears to the Committee) he might, without any compromise of his opinion on this subject, have given his assistance in valuing the lands belonging to Upper Canada College, which, there is no question, were conveyed to the Corporation for the purpose of being sold.

This course certainly would have been more becoming than first to refuse the aid of his experience and acquaintance with the subject, and then to find fault with those who at least have done their best to discharge the duty which was committed to them. The Committee cannot but feel that the Memorialist should have been amongst the last of the Members of the University to raise any question as to qualifications for or attention to important trusts. They also conceive that it would have been more judicious for him to have deferred any strictures on the course pursued by the former and present managers of the Institution in their desire to promote its success, until he had himself given some more convincing demonstration, than any which he has yet manifested, of the zeal and ability with which he prosecutes its welfare. Neither can they think that charges implying negligence and inexperience, come with a good grace from an individual who has himself exhibited both in the very document in which he prefers these charges, and whose characteristics as a member of the Governing Bodies, have certainly not been diligence or precision.

The Committee do not question the motives which have induced the Memorialist not merely to oppose the views of his colleagues in Council, but also to place them in an unfavorable light before the Chancellor and the public, but they will express their conviction, that such a course is most highly injurious to the Institution, and that no establishment, especially an University, can be well conducted if the Officers will not be satisfied to yield their opinion to that of the majority. But if the resistance of the minority should be able, as in the present case, to impede the operations or stop that course which the rest of the Governing Body consider to be necessary for the prosperity of the establishment, it appears to the Committee that not merely the reality but the very semblance of government is destroyed, and that anarchy and ruin must be the result.

There are some other topics incidentally noticed in the Memorial, which the Committee think open to animadversion, but as they are not immediately connected with the principal subjects, they deem it advisable to forbear noticing them at present, particularly as the number of those on which they have considered it necessary to offer remarks, has been so great; they will therefore submit the following suggestions:

1. That the sale of lands shall be resumed and continued until all the present Endowment shall have been disposed of, except such lots as may be advantageously kept under lease.

2. That the collected proceeds of such sales shall be funded in three ways: 1. Debentures; 2. Profitable estates; 3. Wild Lands in favorable localities.

3. That the collection of the arrears of interest and of rent shall be more strictly enforced; a sufficient time being fixed within which all must be paid.

4. That the Bursar shall submit with his usual quarterly returns, a balance sheet, shewing the receipts and expenditure on account of Capital and Income distinctly separated. For Capital he shall take as receipts the proceeds collected of lands sold; and, as disbursements, all payments for investment for buildings, for outfit, and such other expenditures as are usually borne by Capital. For Income he shall take as receipts all rents, interest, dues and fees collected, grants made, and miscellaneous items not before mentioned; and as disbursements, the expense of management, and the salaries and contingencies of the University and College.

If it should happen that one of these services requires aid from the funds of the other, such circumstance shall be particularly noticed, and the service so borrowing shall be debited with the loan, and charged with interest thereon.

(Signed,) JOHN McCAUL,
King's College, Chairman.
28th May, 1845.

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