

TORONTO, April 29th, 1898.

MY DEAR CHANCELLOR :

I regret that my consideration of your letters of 8th and 31st May, 1897, has been so long delayed. In these letters the original question of an increase of the fees has become complicated with larger questions affecting the State University which in view of their importance demand first consideration. These questions cannot, as you indicate, be properly discussed without a knowledge of the history of federation. So important have I deemed this aspect of the matter that I have consulted with some of those familiar with the whole history of the federation movement, including Principals Caven and Sheraton, who were members of the Federation Conference of 1884, in order to supplement the information I already possessed as to the more recent phases. I have also had the benefit of President Loudon's knowledge and judgment on the points under discussion, and I am permitted to say that he is in accord with my conclusions.

Your contention that a maintenance fee for the benefit of the State University should not be derived from any other source than University College has led you into statements as to the relation of the Province to secular education which are, in my opinion, not only incorrect in themselves but which also vitiate your whole line of argument. The legitimate inference from your letter of 31st May seems to be, in short, that you hold that whilst before federation the duty was laid upon the State of making provision for all the subjects of higher education, under federation this duty is only binding as regards certain subjects (the so-called "University" subjects) and that this duty is no longer imperative as regards certain other subjects (the so-called "College" subjects). In other words that, in 1887, on the passage of the Federation Act, the State abandoned its previous policy of providing instruction in all necessary branches of higher learning, and bound itself to furnish adequate instruction in only a part of these.

My own view of the position and duty of the Province as regards its University is totally different. From the beginning, the Province was admittedly responsible for the teaching of all the subjects of higher learning. This responsibility was unchanged by federation. The separation of the Arts Faculty by federation into two parts has not changed the responsibility of the government for the support of either part. The allotment of the subjects to the one side or the other appears to be in itself unnatural and illogical, and was apparently determined by mere expediency in an endeavour to meet the exigencies of Victoria College at the time. By the Act subjects are even now transferable from the one side to the other (see Act, section 87). Hence, if your theory is right, the Province may to-day be responsible for the support of a subject and to-morrow not so. If you are right, then those who represented the State University in the negotiations surely either stultified themselves by abandoning their life-long policy, or are chargeable with the betrayal of a sacred public trust.

The essence of your contention is involved in your assumption that the expense of the University departments (as distinct from those of University College) is a first charge on the endowment. You say in your letter of May 8th, that the sum of \$44,146 annually is by the Federation Act made free, or virtually is placed upon the original endowments of the University. This is what you term elsewhere in the same letter "the federation free franchise." In your letter of May 31st, you refer to the services of the teaching staff in University subjects as being free to all the Colleges, and you couple this reference with the enquiry "if free, how were they to be maintained except as a first charge on the