

applied to the maintenance and extension of the said college, and of work carried on by it.

The founder desires that Macdonald College shall be incorporated with the University system and rank as a college of McGill University; and that the Faculty of Macdonald College shall control the educational policy and curriculum of the said college, except as hereinafter provided, that is to say:

(a) Such University courses leading to a degree, as may be given in the said college, shall be subject to the approval of the corporation of McGill University, and the examinations held in connection therewith shall be under the control of the University.

(b) Courses of study in the training of teachers for the Protestant Schools in the Province of Quebec, together with examinations held in connection therewith, shall be under the control of a committee on which the Corporation of McGill University, Macdonald College, and the Government of the Province of Quebec shall have representation.

*This question
of control -
is the center
the financial
status order
it over
them*

Macdonald College shall furnish an Annual Report to the Corporation of McGill University.

All appointments to the staff of Macdonald College shall be made by the Board of Governors, acting in consultation with the Principal of the College.

The Board of Governors shall constitute from the Faculty of Macdonald College an executive in such a manner as may be from time to time determined.'

Sir William Macdonald stated that as soon as certain gentlemen (whose names had been discussed and agreed to by members of the Board present at the meeting) had been appointed to fill the vacancies on the Board of Governors, he would, in pursuance of the above arrangement take the necessary steps to transfer by deed the lands, and buildings of the Macdonald College at Ste. Anne to the Board of Governors of the University, together with an endowment fund of \$2,000,000. He also stated that his gift was coupled with a condition -- which he wished to attach to all his gifts to the University, viz., that no part of the endowment fund should ever be used for the erection of dormitories or other buildings for University purposes."

It is noticed from the above extract that there are no provisions which indicate that the University intended to make itself responsible for any operating deficits that might be incurred by the College. The agreement appears to be one of administration rather than acceptance of a donation. Other facts, however, that seem to have a bearing on the situation are that Macdonald College is not incorporated, that the University has merged with its own investments the greater part, but not all, of the investments with which the College is endowed and that the University has been financing the operating deficits of the College.