

These figures, My Lord, prove, I think, conclusively that the expenditure of College capital has never yet been stopp'd, notwithstanding the exhibit in the College accounts of a profit every year for the past five years.

The profit for the years 1871, '2, '3, '4 and '5, amounted together to \$4,117.27. The expenditure on the School Buildings and in School furniture, &c., for the four latter years, amounted to \$7,993.82. It is quite clear, therefore, that down to the end of 1875, College funds, really belonging to capital, (to the extent of nearly \$4,000, in four years,) which ought to have been invested so as to bring in revenue, were still being expended on the school.

But, it may be said, Granting all this, you have not yet proved your case. The loss of the College Capital cannot be helped, you must deal with things as they are. The real question is this, Is the School now a source of loss or of profit to the College? It is not "the profit on the year" only that is received from the School, it is the entire rent, i. e. \$2,250 a year. You have not yet shown that the College has expended more than this entire sum year by year upon the School. Besides it seems obvious that if the profit on the year amounts to only from \$600 to \$800, and yet the College receives for the School \$2,250 a year, the College must be spending on itself from \$1,450 to \$1,650 a year more than its own proper income, and this difference it must be drawing from the School. It would seem, therefore, that without the help of the School, as things are now, the College could not live. Would not therefore the separation of the School from the College be simply ruin to the latter?

It is quite true, My Lord, that I have hitherto taken account only of the "profit on the year," my object being to ascertain whether the leak from the College Capital had as yet ceased. If the expenditure exceeds the 'profit' it is evident that the leak still continues.

May I remind Your Lordship that the 'profit' is the balance to the good in the account of "Accrued income and expenditure?" 'Accrued income' means the income which properly belongs to the year, whether more or less has been actually received. Your Lordship will notice that the oft-mentioned \$2250 a year forms a principal item in this account; but the excessive expenditure which I have been setting over against this Profit is not found charged in this account; but is entered, of course, rightly, in the Real Estate Account and Cash Account. Your Lordship will perceive that the Accounts for the year may thus show a profit, notwithstanding that four or five times as much expenditure of Capital may be found in another account.