

SECOND
ANNUAL REPORT
OF THE
BOARD OF REGENTS OF THE
STATE UNIVERSITY,
TO THE
LEGISLATURE OF MINNESOTA.
SESSION OF 1862.

PRINTED BY AUTHORITY.

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1862

ST. ANTHONY, }
December 1, 1861. }

*To his Excellency, Alex. Ramsey, Governor of the State of
Minnesota:*

Sir :—

The Act establishing the State University requires that the Report of the Board of Regents shall be transmitted by you to the Legislature.

Accompanying this note is the Second Annual Report of the Regents, which you will please transmit at your convenience.

I am, Sir, with much respect, your obedient servant.

URIAH THOMAS,

Secretary Board of Regents, Minnesota State University.

SECOND ANNUAL REPORT.

The Board of Regents of the Minnesota State University herewith submit to the Legislature their

SECOND ANNUAL REPORT.

In accordance with a resolution of the Board, the First Annual Report, submitted to the Legislature at its session in 1861, was made to embody a complete compendium of the history of the old Territorial University, and as full an exhibit of the obligations and resources of that Institution as it was possible to obtain, from all accessible sources.

Section 4, of Article 8, of the Constitution of Minnesota, reads as follows: "The location of the University of Minnesota, as established by existing laws, is hereby confirmed, and said Institution is hereby declared to be the University of the State of Minnesota. All the rights, immunities, franchises and endowments heretofore granted or conferred are hereby perpetuated unto the said University, and all lands which may be hereafter granted by Congress, or other donations for said University purposes, shall vest in the Institution referred to in this section."

The State University therefore succeeds to the rights and endowments of the Territorial University. It is, perhaps, a fair presumption, that it was expected also to assume the legal indebtedness of the original Institution.

But, granting this, the State University commences its existence under a crushing weight of debt, sufficient, if not removed, to paralyze every energy, and to destroy every hope of usefulness. The Regents have labored under a painful sense of their utter inability to meet the honest indebtedness of the University to individuals, and the consciousness that, while thus hampered, it was impossible to take any progres-

sive step towards the ultimate realization of the great purposes of such an institution. While it may be a question, whether the wants of so young a State would yet warrant the full organization of a University, as contemplated in the charter, there can be no doubt that it is the interest of the State, and the duty of the Regents, so to manage its endowments and to utilize its resources, as to lay broad the foundations for a future superstructure. Under the discouragements which meet them at the outset, the probabilities of success are not very flattering. What the possibilities may be, it is for the Legislature to determine, with the facts before them.

The First Annual Report of the Regents (session of 1861) contained an elaborate statement by the Treasurer, of the financial condition of the Territorial University, as collated with great care from a mass of papers in his possession. As a satisfactory condensation of that report is impracticable, reference is made thereto for details.—First An. Rep. of Bd. of Reg. State Univ., session of 1861, pages 13 *et seq.*

The following, however, is a brief summary of alleged indebtedness, at the date of that report, December 1, 1860.

ALLEGED INDEBTEDNESS.

Site—amount due on it, - - - - -	\$ 4,833 34
Building—amount due on it, - - - - -	19,130 69
Bonds—amount due on them, - - - - -	59,511 70
J. G. Riheldaffer—amount due him, - - - - -	117 47
Isaac Atwater—amount due him (probably), - - - - -	1,913 66

Alleged liabilities 1st Dec., 1860, \$85,506 86

Add to this total, the interest for the year ending Dec. 1, 1861, amounting to over \$8,000, and we have a grand total alleged indebtedness of \$93,500.

SECURITY FOR INDEBTEDNESS.

This indebtedness is secured as follows: The first issue of bonds for \$15,000, under the Act of February 21, 1856, (bearing interest at 12 per cent. per annum), is secured by mortgage on the University building and site, in the town of St. Anthony, the latter comprising twenty-five acres, more or less.

The second issue of bonds, for \$40,000, under the Act of March 8, 1858, (bearing interest at ten per cent. per annum), is secured by mortgages upon 20,140 acres of land, (selected by the Territorial University, and the selections approved by the Land Department at Washington), situated in Pine, Mille Lac and Sherburne counties, as follows :

In the Counties of Pine and Mille Lac.

- In Township No. 39, Range 25 West : Secs. 5, 6, 7, 8, 9, 15, 17, 18, 21, 22, 23 ; S hf of 24 ; N hf of 25 ; 26, 27 and 28.
- In Township No. 39, Range 26 West : E hf of NE qr of Sec. 9 ; W hf and SE qr of Sec. 10 ; W hf of SE qr and SW qr of Sec. 11 ; NE qr, NE qr of SE qr, W hf of SE qr, and E hf of SW qr of Sec. 12 ; NW qr of NE qr, and N hf of NW qr of Sec. 13 ; NE qr of NE qr, S qr of NE qr, N hf of SE qr, SE qr of SE qr, and NE qr of SW qr of Sec. 14 ; and N hf of NW qr of Sec. 15.
- In Township No. 40, Range 27 West : E hf, E hf of SW qr, and SE qr of NW qr of Sec. 10 ; Sec. 11 ; Sec. 12 ; N hf of NE qr, W hf of SW qr, W hf of NW qr, and NE qr of NW qr of Sec. 14 ; all of Sec. 15 ; SW qr of Sec. 24 ; W hf of NW qr, and NW qr of SW qr of Sec. 25 ; NE qr, S hf of NW qr, SW qr, N hf of SE qr, and SW qr of SE qr of Sec. 26 ; SE qr of Sec. 33 ; NE qr, SE qr, SW qr, and SE qr of NW qr of Sec. 34 ; W hf, W hf of SE qr, and SW qr of NE qr of Sec. 35 ; and N hf of Sec. 13 ; containing sixteen thousand three hundred acres—to secure the payment of \$31,000, in bonds of \$1,000 each.

In the Counties of Pine and Sherburne.

- In Township No. 41, Range 17 West : SE qr of Sec. 11 ; SW qr of Sec. 12 ; NW qr of Sec. 13 ; W hf and NE qr of Sec. 14 ; E hf of Sec. 15 ; and all of Sec. 22.
- In Township No. 35, Range 28 West : W hf of Sec. 28 ; E hf of Sec. 29 ; W hf of Sec. 33 ; E hf of Sec. 32 ; and all of Sec. 34 ;—containing thirty-eight hundred and forty acres, to secure the payment of \$9,000, in bonds of \$1,000 each.

The amount still due upon the site of the University is secured by note to Paul R. George.

The amounts due Messrs. Riheldaffer and Atwater are not secured.

The amount due upon the University building is secured by notes given in final settlement with the contractors, by Franklin Steele and Isaac Atwater, in behalf of the Board of Regents of the Territorial University.

These notes having been issued without specific authority, and with some irregularities in their execution, your Board of Regents have hesitated what position to assume towards them, having in view, fidelity to the State, and a due regard to substantial equity. At a meeting held July 25, 1860, the whole question of the policy of the Board in relation to the said notes, was referred to a special committee, consisting of Regents Berry and Hamlin. Their report expressed the belief that the Territorial Board of Regents had "exceeded their general powers as conferred by and implied from the act of incorporation and valid statutory law, in creating the debt which is the consideration of the notes, and, of course, in making the notes themselves, and so the old Territorial University as a corporation was not bound and had no right by law to discharge these notes."

For an exhaustive discussion of the obligations, legal and equitable, of the State Board of Regents, in relation to these notes, reference is made to the Report of Regents Berry and Hamlin, presented to the Board, November 8th, 1860, and herewith appended (Appendix C.)

It is proper to state, however, that during the months of August and September, 1859, soon after the organization of the present Board of Regents, and prior to the report of Regents Berry and Hamlin, several of these notes had been converted into judgements, to an aggregate amount of several thousands of dollars. And since the publication of that report, their validity has again come before the courts of the State for adjudication. At the last November term of court for the fourth judicial district, the Regents were made one of the defendants to a suit brought by Hart & Munson, endorsees, upon one of these notes. The suit was defended, on the part of the Regents, by the Attorney General of the State. A verdict was rendered for the plaintiffs for the sum of \$2,108.31, being the amount of the note and interest. In order to test, finally, the legal questions involved, the Attorney General has been requested to carry the case by appeal, to the Supreme Court.

Should that court deny the legal obligation of these notes, it is still for the Legislature to consider the equitable obligation of the State, to pay these evidences of an indebtedness for a building which has been accepted by the parties contracting for its erection, and which is now in possession of the State. The most of these notes, it is believed, passed into hands of parties who took them in good faith, and without a knowledge of their questionable legality.

ASSETS TO MEET INDEBTEDNESS.

Admitting for the present that the indebtedness of the University amounts to the sum already mentioned, viz: \$93,500, what are the sources of revenue and the assets available for its liquidation?

The Regents hold—

1. Bills receivable, amounting to	-	\$6,762 92
Of this amount: received on account of		
stumpage,	- - - -	\$4,262 92
On account of the <i>old</i> University building,		
from St. Anthony Mill Company, Rich-		
ard Chute, Agent,	- - - -	2,500 00
		<hr/> \$6,762 92

To this must be added the interest accrued upon the above bills receivable.

Upon the notes for stumpage, no collections have been made since the organization of the present Board, although strenuous efforts have been made by the Treasurer. The obligation of the Mill company can be made available for liquidating a portion of the notes issued to the contractors, should their validity be recognized.

2. The University Building and site. The site includes twenty-five acres, more or less in the town of St. Anthony. The situation is an eligible one, and is unsurpassed in the State for beauty. The land is valuable on account of its location. The building is a large stone edifice, four stories in height, and could be made available for some of the purposes of an University.

3. An act of Congress of February 19, 1851, provides: "That the Secretary of the Interior be, and he hereby is, authorized and directed to set apart and reserve from sale, out of the public lands, within the Territory of Minnesota,

to which the Indian title has been or may be extinguished, and not otherwise appropriated, a quantity of land not exceeding two entire townships, for the use and support of a *University* in said *Territory*, and for no other use and purpose whatever, to be located in legal subdivisions of not less than one entire section."

In accordance with this act, the Regents of the Territorial University selected 39,799.24 acres, which were approved by the Department at Washington. The balance, 11,280.60 acres, have been selected, but not yet approved.

Total amount of reserve, 72 square miles, or 46,080 acres.		
Amount of selections approved of,	-	34,799.24 "

Balance yet to be selected,	-	-	11,280.76 "
Selected, not yet approved,	-	-	11,280.61 "

Balance of land due the State,	-	-	0.15
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Of the approved lands, there is the following distribution by Townships and Ranges:

In township 39 N. R. 25 W.	-	-	-	9,753.47 acres.
" " 39 " " 26 "	-	-	-	1,620.00 "
" " 40 " " 27 "	-	-	-	8,163.73 "
" " 41 " " 17 "	-	-	-	1,920.00 "
" " 109 " " 20 "	-	-	-	2,360.00 "
" " 109 " " 22 "	-	-	-	3,207.08 "
" " 110 " " 20 "	-	-	-	1,117.05 "
" " 110 " " 21 "	-	-	-	2,200.00 "
" " 111 " " 19 "	-	-	-	2,560.92 "
" " 112 " " 19 "	-	-	-	301.28 "
" " 112 " " 20 "	-	-	-	316.51 "
" " 113 " " 19 "	-	-	-	1,279.20 "
Total,	-	-	-	34,799.24 "

DISTRIBUTION BY LAND DISTRICTS.

Stillwater District,	-	-	-	21,457.20 acres.
Winona " "	-	-	-	8,884.13 "
Red Wing " "	-	-	-	4,457.91 "
Total,	-	-	-	34,799.24 "

LANDS SELECTED, NOT YET APPROVED.

In township 116, N. R. 31 W.	-	-	971.52	acres.
" " 117 " " 31 "	-	-	4,152.76	"
" " 117 " " 33 "	-	-	6,156.33	"
Total,	-	-	11,280.61	"

It is proper here to state, that of the lands selected and *approved*, 2,644 acres, (situated in Rice county, and comprising a portion of the most valuable farming lands pertaining to the University,) were pre-empted by private parties, and the Legislature of Minnesota, (by an act approved July 22, 1858,) consented to the withdrawal of the University claim to those lands, on condition that the Government will allow to the University the selection of other lands in lieu of them. The Government has not yet signified its willingness to do this, although it is probable that it will consent to the substitution.

For a more detailed description of the lands selected by the Territorial University, reference is made to the report of the Treasurer, (herewith submitted—Appendix B,) who examined these lands at the request of the Regents. From this, also, some judgment may be formed of the present value of the said lands.

RECAPITULATION.

The inheritance of the State University, there stands substantially as follows, viz:

Indebtedness, December 1, 1861,	-	-	\$93,500
Assets—			
Bills receivable,	-	-	\$6,762 92
University building and site, including 25 acres.			
Lands selected and approved,	-	-	34,799.24 acres.
" " not yet "			11,280.61 "
Total,	-	-	46,079.85 "

It is the conviction of your Board of Regents, that an immediate effort should be made by the State to liquidate this enormous debt, with a portion of the assets.

The Regents of the *Territorial* University were clearly without authority to alienate the lands reserved by Congress for that University, for such a purpose. The act of Congress of February 19, 1851, reserved these lands "for the use and support of a University in said Territory, and for no other use and purpose whatever." The charter enacted by the Legislature of Minnesota Territory, prior to the above act of Congress, contained the following section:

"SEC. 2. The proceeds of all lands that may hereafter be granted by the United States for the support of a University, shall be and remain a perpetual fund, to be called the 'University Fund,' the interest of which shall be appropriated to the support of a University; and no sectarian instruction shall be allowed in such University."

The Territorial Regents were therefore limited to the *interest* of the "University fund" for "the support of a University," except so far as additional authority was afterwards given them to mortgage a portion of the lands as a security for their Bonds.

But the Board of Regents of the State University, under the new charter, approved February 14, 1860, are under no such restriction, and might possibly alienate a portion of the lands, without special legislative authority, in liquidation of the *undisputed* indebtedness of the Institution. They would clearly have no right to do this, in liquidation of the disputed notes given to the contractors. While admitting a probable equity in the parties holding these notes, they certainly would not feel justified before the State, whose trustees they are, in paying *these* notes, except upon the compulsory action of the courts of the State, or upon specific authority from the Legislature.

They are unwilling however, to assume, *in any form*, the responsibility of the absorption of this munificent appropriation of lands, or any considerable portion of it, in liquidating this old indebtedness, but would refer the whole subject to the Legislature, with special reference to these two questions.

First. Shall the indebtedness of the Territorial University, upon the notes given to the contractors, be assumed as legal, and be liquidated by the Regents of the State University?

Second. Shall the Regents of the State University be

empowered and directed to compound with the creditors of the Territorial University, with authority to alienate the lands reserved for that Institution, in liquidation of the ascertained indebtedness?

1. Upon the first point submitted, the Regents hesitate to submit an opinion, yet would suggest, as pertinent to a decision, that a part of these notes have already been sued into judgments, and that judgment has been rendered in an inferior court upon one of them, within the past month, although defended by the Regents. The former judgments are irreversible, as the time for appeal has long since passed. The last will be tested before the Supreme Court of the State, unless the action of the Legislature shall render such a course unnecessary.

2. On the second point, the Regents are clearly of the opinion that the good faith of the State and the best interests of the University demand such action. The debts are honestly due. A considerable portion, (\$15,000,) is for money borrowed; the balance, for land, material and labor furnished under contract with the Territorial Regents. The debt is rapidly accumulating, by the accession of interest, at the rate of some \$8,500 per annum. The income at present derivable from the lands is not sufficient to pay even a moiety of this interest. The prospect of selling the lands at an aggregate price much beyond the present indebtedness, is remote, and contingent upon the probabilities of peace or war, of National and State prosperity. So long as this indebtedness hangs over the University, it effectually cripples and prevents any progress in the legitimate purposes of such an institution, whether there be a prospective surplus in its assets or not. While this debt rests upon it, it is dead.

In view of these considerations, the Regents believe that both justice and good policy demand that an effort be made to liquidate this debt with the reserved lands of the Territorial University. They recommend to the Legislature the appointment of a commission with authority to determine the equitable indebtedness of the University, and, if possible, to compound with its creditors, giving to the commission or to the Regents power to alienate such portion of the lands of the Territorial University as shall be necessary for that purpose. *Provided*, that in such settlement the present University building and site shall be retained by the State

free from all encumbrances, and *provided* that the *whole* indebtedness can be liquidated with the whole or a portion of the reserved lands.

The inquiry may arise, what must be the future dependence for the support of a State University? The Regents reply, certainly not the present encumbered lands. The probabilities of realizing anything over and above the rapidly increasing debt, are small and remote. If compelled to reduce the estate of the University to the mere building and site, and defer its usefulness until it can be in every sense self-supporting, this misfortune must be charged to the wild folly of speculative times which involved public interests not less than private fortunes, in a common ruin.

Your Board of Regents, however, believe that, through the munificence of Congress, the State University will not be without an endowment. A careful examination of the acts of Congress relative to the Territorial and State Universities of Minnesota, shows that Congress, in the enabling act of February 26, 1857, made a distinct reservation of two whole townships of land to the State of Minnesota, "*for the use and support of a State University, to be selected by the Governor of said State.*" That this reservation does not refer to the lands reserved by a prior act of Congress, "*for the use and support of a University in said Territory,*" (of Minnesota,) is evident from a critical examination of the acts themselves, and a comparison of the language of grants to other States in analagous cases. For a full exposition of the grounds upon which the claim of the State University is founded, reference is made to the letters of April 5, 1860, and June 26, 1860, addressed by Chancellor Neill to Governor Ramsey, and herewith annexed, (Appendix D.) In a letter of June 30, 1860, addressed to the Commissioner of the General Land Office, Governor Ramsey laid both the communications of the Chancellor before that officer. No action has yet been had by the Department at Washington, but it is hoped that when a restoration of peace shall allow a deliberate consideration of this claim, the Government will agree with the Regents that the grant to the State University is entirely independent of and additional to the *reservation* of lands for the old Territorial University. This view of the purpose of Congress is confirmed by the fact that Congress, on the 2d of March, 1861, passed *another* act

donating to the State the old *reservation* of lands for the *Territorial* University. The title of the State to these lands is therefore fixed. The claim of the State to the additional lands, rests upon the new and distinct reservation made in the enabling act for a *State University*.

Should the Department coincide in this view, the State may yet hope to see the crushing debt of the Territorial University paid off, and the State University in possession of an endowment which by a more judicious management may become a source of enlightenment and of good to the whole State.

The proceedings of the Board of Regents for the year ending December 1, 1861, are herewith appended; also the report of Regent Kimball, as Treasurer of the Board, and agent for leasing lands and granting permits to cut timber. It will be seen, by reference to this report, that a portion of the farming lands selected by the Territorial Regents in Rice and Dakota counties, have been leased to parties, in accordance with a former resolution of the Board, and that certain permits have been granted to cut pine timber. From these sources a small income has been derived during the past year, a part of which has been appropriated to the construction of a substantial fence around the University building and site, and to the payment of necessary expenses.

All of which is respectfully submitted, in behalf of the Board of Regents.

URIAH THOMAS,

Secretary of Board of Regents of State University.
St. Anthony, December 1st, 1861.

APPENDIX A.

JOURNAL OF PROCEEDINGS OF THE BOARD OF REGENTS FOR
THE YEAR DECEMBER 1, 1861.

SPECIAL MEETING.

April 2, 1861.

The Board met at the Governor's Room in the Capitol, at St. Paul, in accordance with a call of the Chancellor.

Present—Governor Ramsey; Regents Kimball, Benson, Batchelder and Thomas.

The minutes of the last meeting were read and approved.

The Governor stated to the Board that Regent J. M. Berry had tendered his resignation as Regent, January 8th, 1861, which he had accepted. He had appointed George F. Batchelder, of Faribault, Regent in place of Mr. Berry, and the Senate had confirmed the appointment.

The following letter from Chancellor Neill was presented by the President of the Board :

(COPY.)

STATE OF MINNESOTA, }
OFFICE OF PUBLIC INSTRUCTION, }
ST. PAUL, Feb. 25, 1861. }

*Hon. Alex. Ramsey, President Board of Regents,
University :*

DEAR SIR : In tendering my resignation as Chancellor of the University of Minnesota, it is proper that a brief allusion should be made in relation to my connection with the educational affairs of the State.

In the year 1858, during the administration of your predecessor, and at the instance of Hon. H. M. Rice, I was elected Chancellor. After several weeks' deliberation, I accepted the office; for although I discovered that, by poor management, the institution had incurred a heavy debt by the erection of a building in advance of the wants of the institution, yet I supposed that by strict watchfulness, the debt might in years be liquidated, and the University serve its purpose at its proper time. The last Legislature repealed the old charter of the University, and passed a new act by which the old Regents, as well as myself, were displaced. They also enacted that the Chancellor, under the new arrangement, should be, *ex officio*, State Superintendent of Public Instruction.

The new Board, with one exception, were of different political opinions from a majority of the old Board, but at their first meeting they re-elected me Chancellor. The action of the last Legislature commended itself to me, for it made a unit of educational interests, too frequently separated.

Believing that a State University should be kept in the closest sympathy with the Normal and Public Schools, and that there never could be a University worthy of the name, unless the public schools of lower grades were made efficient, I entered upon the duties devolved upon me by the last Legislature with enthusiasm, and the hearty God-speed, as I had supposed, of men of all creeds and all parties.

The correspondence on file in the office gives abundant evidence that the position has not been a sinecure.

But a respectable number of the present Legislature desire to modify the system so lately inaugurated, and which has been commended by distinguished educators abroad, and bring the office of Superintendent of Public Instruction nearer to political influence. In order that they may have no obstacles to the reconstruction of the educational system, as their wisdom and matured experience may suggest, I think it better I should retire.

Since 1858, I have performed the duties of the Chancellorship, and since March, 1860, those of the State Superintendency of Public Instruction, without receiving any compensation, and have been obliged to furnish the office and provide postage and stationery, and a part of the time em-

ploy a clerk, and also pay all my traveling expenses, while in the service of the State.

By law, the Legislature is required to designate suitable compensation, and I have no doubt that if this Legislature, owing to the extreme poverty of the State, fails to remunerate me for the service performed, and the money expended on behalf of the commonwealth, that the day will come when I shall be paid in full with interest.

Assure the Regents of my high personal regard, and that while no longer holding any official connection with them, I am still, as ever, ready to co-operate with them in any movement that will tend to give our State a name for intelligence.

Yours truly,
(Signed)

E. D. NEILL.

On motion, Regents Kimball and Benson were appointed a committee to wait upon Chancellor Neill, and request him to withdraw the resignation which he had tendered.

The committee withdrew and soon returned, accompanied by Mr. Neill.

Mr. Neill stated that as the reasons for resignation presented in his letter had been removed by the subsequent action of the last Legislature, he would, at the request of the Regents, withdraw the letter just presented.

On motion, Regent Batchelder was added to the Committee on leasing lands, with relation to lands in Rice and Dakota counties.

On motion,

Resolved, That the Committee on leasing lands belonging to the University be instructed to make short leases, not to extend beyond two years, and that the Board hereby pledge to the lessees that they shall have the preference in future sale or lease of the interest of the State in said lands.

On motion, also

Resolved, That until the organization of a Faculty, the Curators be authorised to tender as much of the University building as may be necessary for scientific purposes, to Dr. D. B. Reid, F.R.S., late Professor in the University of Wisconsin.

On motion, the Board adjourned.

URIAH THOMAS,
Secretary.

SPECIAL MEETING.

October 16, 1861.

A special meeting of the Regents was called at the Capitol in St. Paul, October 16, 1861.

Present—Lieutenant Governor Donnelly; Chancellor Neill and Regents Hamlin and Thomas.

A quorum not being present for the transaction of business, the meeting adjourned, to assemble at the same place on the fifth of November next.

URIAH THOMAS,
Secretary.

ADJOURNED MEETING.

November 5, 1861.

An adjourned meeting of the Regents was held at the Capitol, on the fifth day of November, A.D. 1861.

Present—Governor Ramsey; Lieutenant Governor Donnelly; Regents Benson and Thomas.

A quorum not present. Adjourned to meet again November 20.

URIAH THOMAS,
Secretary.

ADJOURNED MEETING.

November 20, 1861.

An adjourned meeting of the Regents was held at the Capitol, in St. Paul, on Wednesday, Nov. 20, 1861.

Present—Governor Ramsey, and Regents Kimball, Benson and Thomas.

Minutes of the meeting of April 2d read and approved.

Treasurer Kimball presented a detailed report of his services as agent of the Board in the examination of lands belonging to the University; also, as agent for leasing lands, including his accounts with the Board as its treasurer.

The report was referred to a special committee, consisting of Regents Benson and Thomas, who, after an examination, recommended its approval.

The report was so approved.

On motion, the Board adjourned, to meet on Monday, December 2, 1861.

URIAH THOMAS,
Secretary.

APPENDIX B.

REPORT OF TREASURER KIMBALL FOR THE YEAR ENDING DECEMBER 1, 1861.

Since the report made and submitted to the Legislature at its last session, giving a complete and full statement of all the affairs pertaining to the interests of the University, according to the best information which could be obtained from all facts and papers in possession of the Board of Regents, there are no new features to any of its prospects to encourage a belief that the unfortunate Institution can be relieved of its enormous debt, except by some decisive measures; either by giving up to the creditors the grant of land donated by the General Government, or by making sale of the same and taking the proceeds for that purpose.

It is greatly to be hoped, from the encouragement received by an act of Congress, that another grant of land will be donated for the benefit of a State University, (in which case the former donation of land given for a Territorial University could have been saved, together with the building,) making a basis for a public institution of which future generations might be proud. But under existing circumstances the picture is a dark one.

It is nearly or quite three years since the building was finished and this debt contracted. (Now since the hope of any further relief from the General Government is doubtful), the question arises what shall be done? It is a question that might as well, and better be met at once, than deferred till all hope disappears and not even the building be saved.

To me there seems to be the following ways by which this

debt can be cancelled. And I would urge the adoption of this or some other measure for an early proceeding in some direction for an adjustment of the debt. One—to make sale of the land to parties holding claims at a price that can be agreed upon per acre. Another—to negotiate with a party or parties who will take the whole grant of land, or as much as might be required, and become responsible for the payment of the whole indebtedness. While I am of the opinion that the latter would be the way the whole matter could be arranged with the least expense and in the shortest time, I think the former means would give the better satisfaction to the creditors. It should be remembered that there are some four thousand acres of this land now leased to persons who have already settled upon the same, and to whom this amount could be sold at higher prices than to any other parties.

WILLIAM M. KIMBALL IN ACCOUNT WITH STATE UNIVERSITY.

1861.	By paid sundry bills :		
	Farnham & Co., for fencing,	\$93	75
	Pillsbury & Co., for nails, -	11	25
	J. Blaisdell, for posts, -	47	00
	F. Hildreth, for teaming, -	5	00
	Burlingham, " -	8	50
	E. C. Connor, for labor, -	29	48
	F. Cook, for surveying, -	5	00
	Laborers - - - -	3	00
		<hr/>	\$202 98
	Scotfield, for building repairs,	\$2	00
	Laborers in and about the		
	building, - - - -	15	50
	Broom, pail, &c. - - - -	1	25
		<hr/>	\$18 75
	Printing, - - - -	\$10	50
	Expressage for book, - - -	3	00
	J. S. Fuller, for fees, -	4	50
	Buckham, for att'y fees, -	3	00
	Postage and stationery, -	2	25
		<hr/>	\$23 25

March.	By nine days in the Pineries	\$27 00	
	Horse and carriage, - - -	8 00	
	Expenses, - - - -	9 62	
		<u> </u>	\$44 62
May 31.	Eight days to Faribault	- \$24 00	
	“ “ “	- 8 00	
	“ “ “	- 8 75	
		<u> </u>	\$40 75
June 19.	Nine days to Faribault,	- \$27 00	
	“ “ “	- 17 00	
	“ “ “	- 14 20	
		<u> </u>	\$58 20
June 27.	Four days to Stillwater, -	\$12 00	
	“ “ “ -	6 00	
	“ “ “ -	4 25	
		<u> </u>	\$22 25
October 29.	Four days to Stillwater, -	\$12 00	
	“ “ “ -	5 00	
	“ “ “ -	3 50	
		<u> </u>	\$20 50
November 12.	Thirteen days to Faribault,	\$39 00	
	“ “ “	12 00	
	“ “ “	14 50	
		<u> </u>	\$65 50
	For conveyance to the several tracts of land, and guide for same - - -	\$28 25	
	Surveying logs, - - -	25 90	
	Five days attending survey,	15 00	
	Expense, - - - -	6 00	
		<u> </u>	\$75 15
			<u> </u>
			\$571 95

The following is a summary account of the receipts and expenditures of the present year:

RECEIPTS.

June 27.	To cash received of		
	Shulenberg & Co.,	-	\$50 00
	John Rollins,	-	246 12
October 28.	Shulenberg & Co.,	-	50 00
November 12.	“ “	-	100 00
	Land rents, as per lease,	-	170 20
December 1.	Shulenberg & Co.,	-	150 00
			<hr/>
			\$766 32

Expenditure	-	-	-	\$571 95
Balance in Treasurer's hands,				190 37
				<hr/>
				\$762 32

To balance due for stumpage.

Shulenberg & Co.,		
due June, 1862,	\$1,384	93
John Rollins,	-	54 82
Martin & Lawrence,	150	00
	<hr/>	
	\$1,589	75
Balance due for rent		
of farming lands,	249	20
	<hr/>	
	\$1,838	95

All which is respectfully submitted.

WM. M. KIMBALL,
Treasurer.

St. Anthony, December 1, 1861.

APPENDIX C.

REPORT OF REGENTS BERRY AND HAMLIN, RELATING TO CERTAIN NOTES, GIVEN BY THE REGENTS OF THE TERRITORIAL UNIVERSITY.

To the Board of Regents of the University of the State of Minnesota :

The following preamble and resolution were adopted by your Board in July last.

" WHEREAS difficulties have arisen in reference to certain notes amounting to several thousand dollars, given to Alden, Cutter and Hull, dated February, 1859, purporting to have been executed under the authority of the Board of Regents of the Territorial University :

Resolved, That Messrs. Berry and Hamlin be appointed to examine the notes, and report at the next meeting of the Board their opinion of the proper policy to be pursued in relation to said notes."

In compliance with the resolution, your committee have examined a copy of one of the notes referred to, which reads as follows :

" \$107 19.

SAINT ANTHONY, Minnesota, Feb. 24, 1859.

Three months after date, for value received, the Regents of the University of Minnesota promise to pay to the order of Alden, Cutter and Hull, one hundred and seven and 19-100 dollars, with interest at the rate of one per cent. per month until due ; and interest after maturity at the rate of one per cent. per month until paid.

(Signed.)

THE REGENTS OF THE UNIVERSITY OF MINNESOTA.

FRANKLIN STEELE, President.

Per I. ATWATER, Secretary."

Your committee assume what they understand to be the facts that all notes alluded to in the foregoing preamble are substantially alike, that they were all given on account of the University building, and respectfully report as follows :

The question which naturally arises at the outset is, had the Board of Regents power to issue notes ? We understand the law to be quite well settled as laid down by Messrs. An-

gell and Ames, in their work on corporations, Section 275, page 303, viz : "that a corporation keeping within the scope of its general powers may control or bind itself to do any act at any place;" and again, Section 271, page 292, where the same authors say "when the charter or act of incorporation and valid statutory law are silent as to what contracts a corporation may make, as a general rule, it has power to make all such contracts as are necessary and usual in the course of business as means to enable it to obtain the object for which it was created, and none other. The creation of a corporation for a specified purpose implies a power to use the necessary and usual means to effect that purpose."

To apply these principles of law. The notes in question were all given prior to the passage of the present law concerning the regulation and government of the University, and are of course to be governed by the law as it stood at the time of their execution and delivery. This is found on pages 350 to 353, inclusive, of the compiled statutes.

The laws there published are special acts relating to the University, and we do not see anything in the general statute regulating corporations which would affect the inquiry submitted to us. The power to issue notes must be conferred or prohibited by express provision or by implication. But the statute contains no express provision on the subject, so we are left to implication. By the Act of Feb. 25, 1856, page 352, compiled statutes, the Regents were authorized to issue mortgage bonds to purchase a site and erect buildings, and by the act of March 8, 1858, page 353, compiled statutes, the Regents are authorized to issue mortgage bonds without restriction to any specified object. Both of these acts have been exhausted, and neither of them repeals or modifies the original law providing for the establishment, etc., of the University, as found on page 350, compiled statutes, except so far as those limited amounts of bonds are concerned. So that we are to look at the original charter for all the light which legislation can furnish us. The second section of that act, page 350, compiled statutes, reads as follows: "The proceeds of all lands that may hereafter be granted by the United States to the Territory for the support of a University shall be and remain a perpetual fund, to be called 'The University Fund,' the interest of which shall be appropriated to the support of a University." Section 13 provides, among

other things, that the Regents may proceed to the erection of University buildings as soon as funds may be provided for that purpose, and by section 15, the Regents are authorized to expend such portions of the funds which by the provisions of this chapter may come under their control, as they may deem expedient, for the erection of suitable buildings. From these and analagous provisions of the statute, your committee draw the following inferences :

First. The proceeds of the lands were originally intended to be a sacred fund, the interest only of which was to be appropriated to University purposes. This original intention has only been so far modified as to allow the issue of certain fixed amounts of mortgage bonds. Of course it retains its original force except so far as these bonds are concerned.

Second. The 13th and 15th sections above cited, which are the only sections from which the power to erect buildings can be derived, authorize such erection by means of a "*fund provided*," or a *fund* coming under the control of the Board.

Third. That the maxim of legal construction, "*expressum facit cessari tacitum*," applies to the matter under consideration, so that inasmuch as the Legislature have pointed out a particular manner of erecting buildings—first by a "*fund provided*," and afterward by mortgage bonds, every other manner is excluded and unauthorized by law.

Fourth. That the sections above cited show that the whole intent of the Legislature was to limit the powers of the Board to the expenditure of funds on hand, and the fact that it was afterwards found necessary to pass two successive acts authorizing an issue of mortgage bonds, furnished a fair ground of inference that without those acts no such power would have existed in the Regents.

Fifth. If these inferences are correct, it follows that the Board of Regents "exceeded their general powers as conferred by and implied from" the act of incorporation and valid statutory law, in creating the debt which is the consideration of the notes, and of course in making the notes themselves, and so the old Territorial University, as a corporation, was not bound and had no right by law to discharge these notes.

Another question which arises is, whether the form of executing the notes was such as to bind the Regency. The

resolution under which the notes were issued reads as follows, viz :

Resolved, That the President and Secretary be authorized to sign on behalf of the Board of Regents, the notes to be given to the contractors to liquidate the amount of indebtedness that shall be found due them after settlement, according to the resolution this day adopted."

The objection urged against the manner of executing the notes arises from the fact that they are signed by Mr. Steele, who was not the regular President of the Board. Even if it were proper to resist the payment of the notes on any such ground, there still would remain some doubt as to whether Mr. Steele, acting as President pro tem. at the time when that resolution was passed, was not justified in executing those notes, if any person would have been. And even though the objection might prevail technically against the notes themselves, it could not of course be urged against the debt which was the consideration of the notes, because if there was power to contract debts of this nature, no matter whether all formalities were complied with or not, it is the opinion of your committee that the acceptance of the work done would amount to a ratification. See section 304, page 355, Angell and Ames on Corporations. So that if these views are correct, we fall back upon the absolute want of authority on the part of the Board to create any such indebtedness, a want which no ratification could supply.

There is one other matter proper to be considered here, and that is the relation which the University of the State as at present constituted, sustains to the old University and its liabilities.

Section 4 of Article 8 of the Constitution is as follows: "The location of the University of Minnesota as established by existing laws, is hereby confirmed, and said Institution is hereby declared to be the University of the State of Minnesota. All the rights, immunities, franchises and endowments heretofore granted or conferred are hereby perpetuated unto the said University, and all lands which may be hereafter granted by Congress, or other donations for said University purposes, shall vest in the Institution referred to in this section."

It is not, perhaps, necessary to enter into any metaphysical discussion of this question. It is, perhaps, a fair view of the matter, to say that the position which the present Uni-

versity holds in reference to the Territorial University is very like that which the State of Minnesota bears to the late Territory. There was a transition from one political status to another, a peaceful revolution, the results and effects of which are to be determined, not on any narrow technical grounds of strict legal right, but on larger and liberal principles of natural equity and justice. By the provisions of the section just quoted, the University of the State succeeds to all the rights of the University. To allow the State University to take possession of and appropriate the property of its predecessor, without any reference to the just indebtedness of that predecessor, would plainly be nothing more nor less than to permit a fraud upon creditors, according to well understood principles. The State University, so far as anything which it has received from the Institution which it succeeds is concerned, stands equitably in the position of a trustee. As such trustee, it is its clear duty to apply the trust fund so received to the discharge of the legitimate indebtedness of its predecessor, as far as necessary. In other words, whatever the Territorial University ought to have done in the premises, *that same thing* it is the duty of the State University to do, so far as it has received anything from the Territorial University. But while such is the evident duty of the present Regency, it should also be recollected that the Regency is also a trustee for the State.

The responsibilities to the State which the present Board have assumed are as binding and as weighty as any others. They must be discharged with scrupulous fidelity. And when we turn to the examination of this point, we are met at the outset by the fact that the indebtedness in question was unauthorized, and by the additional fact that the legislation to which the State University owes its powers does not confer any authority bearing upon the case which was not possessed by its predecessor. There would seem to be a propriety and magnanimity becoming to an institution of learning, and to a young State of coming greatness, in a willingness and readiness honorably to adjust any indebtedness of which it has received the benefit, no matter how informally that indebtedness may have been created. At the same time, if the foregoing views are correct, the Board of Regents is not, without further legislation, invested with power to make such adjustment.

Whenever such power can be obtained, it will be time to consider the manner of payment and settlement. In the present position of affairs, only one proper policy can, in the opinion of your committee, be pursued in regard to the notes issued to Messrs. Alden, Cutter and Hull, and that is to decline to take any action upon them.

JOHN M. BERRY,
EDWARD O. HAMLIN, } Committee.

August 28, 1860.

APPENDIX D.

LETTERS OF CHANCELLOR NEILL TO GOV. RAMSEY.

[MEMORIAL.]

OFFICE OF PUBLIC INSTRUCTION, }
St. Paul, Min., April 5, 1860. }

His Excellency Alex. Ramsey, Gov. Minnesota:

DEAR SIR:—In February, 1851, the Territorial Legislature passed an Act incorporating “a Territorial Institution of learning under the name of the University of Minnesota” to which were granted “the proceeds of all lands that may hereafter be granted by the United States to the *Territory* for the support of a University.” On the 19th of February, of the same year, it was enacted by Congress:

“That the Secretary of the Interior be, and he hereby is, authorized and directed to set apart and reserve from sale, out of the public lands, within the Territory of Minnesota, to which the Indian title has been or may be extinguished, and not otherwise appropriated, a quantity of land not exceeding two entire townships, for the use and support of a *University* in said *Territory*, and for no other use and purpose whatever, to be located in legal subdivisions of not less than one entire section.”

Shortly after this Congressional enactment the Regents of the Territorial University organized, obtained a site, erected a building thereon, and commenced instruction therein—the first instance on record of a Territorial University going into operation at so early a period in the history of a Territory.

The Regents also, with the approbation of the Secretary of the Interior, proceeded to select a large portion of the lands granted for the Territorial Institution. Subsequently they erected a costly edifice and mortgaged it, by virtue of a power granted by the Territorial Legislature of 1856, for \$15,000, to secure the payment of certain bonds, and by another Act passed in 1858, on the eighth day of March, before the admission of Minnesota into the Union, mortgaged lands that had been selected by the regents, to secure the payment of a further sum of \$40,000 borrowed by the Regents for the Territorial Institution.

Heretofore Congress has made grants to Territories not having organized any Universities, and the lands being free from all prospective incumbrances, the Enabling Acts of Michigan, Wisconsin and Iowa, have used the following similar phraseology:

“Seventy-two sections of land, set apart and reserved for the use and support of a University by an Act of Congress approved on _____ day of _____ *are* hereby granted and conveyed to the State, to be appropriated solely to the use and support of such University in such manner as the Legislature may prescribe.”

The condition of Minnesota being different, so far as a Territorial University was concerned, we expect and find different language in the Enabling Act. There is no reference, as in acts alluded to, to previous reserves, but it is prospective. It says, if certain provisions are accepted:

“That seventy-two sections of land *shall* be set apart and reserved for the use and support of a *State* University *to be* selected by the *Governor of said State*, subject to the approval of the Commissioner of the General Land Office.”

Although a Territorial University had been in existence for years, and the Regents had selected lands, there is no reference thereto, but the language prescribes selections for a *future* State University.

Certainly it was not the intention of Congress to turn over the debts and prospectively encumbered lands of an old and badly managed territorial institution, but to give the State that was to be, a grant for a State University, free from all connections with territorial organizations.

Will you, therefore, take the steps indicated in the Enabling act, and appoint, at an early day, some one to select

two townships of land for the State University, incorporated by the last Legislature?

In behalf of the Regents of the University of the State of Minnesota.

[Signed,]

E. D. NEILL, Chancellor.

“SAINT PAUL, June 26, 1860.

“*His Excellency Alex. Ramsey, Governor of Minnesota:*

“DEAR SIR:—The Board of Regents of the State University, appointed by the provisions of the charter, establishing a State University, passed by the last Legislature, at their first annual meeting, are environed with embarrassments.

“As already set forth in a communication addressed to you, and adopted by the Board, at the meeting held for the purpose of organization, on the first Thursday in April, we feel that the desire of Congress was to donate to the State two unincumbered townships of land *for the use and support of a State University, to be selected by the Governor of said State.*’

“But they discover that an old Territorial University, to which we succeed by the Constitution, has selected certain lands under an Act of Congress, of February 19, 1851, and mortgaged a valuable portion of said lands, erected an expensive building, and incurred a debt of at least \$75,000.

“The Regents of the State University, cannot feel that the assumption of lands reserved for a Territorial University now heavily encumbered, is in any sense, the munificent donation to the young State by Congress, ‘for the use and support of a State University, to be selected by the Governor of said State.’

“The Enabling Act, it appears to us, makes your duty clear. In phraseology entirely different from that of Michigan, Wisconsin, or Iowa, it prescribes what the Governor of the new State shall do, and we desire, if it is consistent with a sense of your official duty, that you shall proceed to select the lands donated to us, as we have already stated in the communication of last April.

“At the same time, we wish information in relation to what

course we shall pursue in adjusting the affairs of the Territorial University. The lands reserved for that Institution have never been donated to the State, as similar lands were by the Enabling Acts of Michigan, Wisconsin and Iowa; nevertheless, they will be required to meet the indebtedness of the old Institution of the Territory.

"We desire you to ascertain at an early day, whether, in addition to the donation for a State University, we can dispose of the lands reserved for the uses of a Territorial Institution, for the purpose of liquidating the indebtedness incurred by the Territorial Regents.

"In behalf of the Regents of State University.

"[Signed,]

E. D. NEILL, Chancellor."

To the Chancellor and Regents of the State University:

In accordance with the several votes passed by the Board of Regents authorizing the Treasurer to give permits for cutting pine timber, looking after and examining lands belonging to the University, and leasing the same, I herewith submit the following report:

As soon as was convenient, after having authority, I commenced to examine the condition of lands in Rice county, in September, 1860, and went to Faribault, in which vicinity the greater portion of them lie. First went upon the tract at East Prairie, so called—four sections—minus two hundred acres. Nearly three sections of this tract is open prairie. Nearly the whole of this last named amount is settled upon. Some of the occupants settled upon these lands before they were located by the University; however no advantage is attempted by such on that account.

Here was the first proposition made to settlers, as to the intentions of the University, requiring occupants of said land hereafter only to occupy except under a lease. This proposition was objected to by some, but others made no objection, and willingly signed a lease as proposed. The objections were made principally on account of the large improvements made by some, and there being no provisions in the lease to pay said lessees for such improvements in case they yield up the occupancy of said premises. These objec-

tions, however, were waived, and all the occupants signified a willingness to sign a lease.

Two parts of two sections of this tract, (more than one whole section) were formerly heavily timbered, perhaps equal to any in that vicinity; but since located by the University, *all* the good timber has been taken from the land. Other such trespasses I shall make mention of.

Subsequently, (October following,) I was instructed to make an examination at the Land Office. Accordingly, went to the Land Office at Henderson and St. Peter, but as it was at the time when the land sale was about to take place, I could not ascertain but very little of any value. Having been informed that parties were cutting timber without reserve, I went at the same time upon the tract lying between St. Peter and Faribault, (nearer the latter) in township 109, range 22. This tract contains about four sections, principally timber. More or less of the timber has been cut and taken off, partly by those living upon, and others who do not live upon the same. Those who were found living upon and occupying any portion of this tract, have since taken leases.

It is fair to presume that the cutting and carrying off of timber from this tract will be continued unless prompt measures are pursued to prevent. However, the trespasses upon this tract were carried to a less extent the last winter than before.

In May, 1861, I went to Rice county again to make arrangements for executing the leases. At the same time I found that other parties had made application for leasing land in two other tracts, all in the vicinity of Faribault; also several applications were made for leases of land in a tract near Northfield, situated on Prairie Creek. Here are four sections complete, all clean prairie, and not second in quality to any land in the vicinity.

As to the terms and price, it seemed to be a matter left for the undersigned to arrange. But I availed myself of the counsel of Messrs. Cole and Batchelder, and although the price fixed would seem very low, it was the opinion of both Messrs. C. and B., with myself, considering the price of land in all that vicinity, where actual sales had been recently made, that the price fixed was such as said parties could afford to pay, which price can be found in another part of this report.

At this time, with the efficient and kind assistance of Attorney General, Mr. Cole, a form was drawn for a lease, and public notice given to all concerned, that at an early day in June I should meet at Faribault and Northfield to execute the leases.

In the meantime I had had the leases printed and signed by the Chancellor, with his approval of the form. At the time appointed I met, and the parties mostly came forward, and according to the best knowledge that was obtained then and subsequently, all who are on and occupying University lands have signed a lease; also, recently several applications have been made for leases which are not yet executed. The original intention was to receive one year's rent in advance, or at the time the leases are executed, but it became quite evident that most of those who wanted leases could not pay until they received a remuneration from their present crops. So the time was arranged, to suit the parties, from July to December 1st, 1861. Perhaps it is proper here to say that there have been some delays of payment beyond the time stipulated in the lease, but this delay seems not on account of any intention not to pay. The amount already paid, and those due, will appear in another part of this report, as also the price per acre, varying from one dollar and twenty-five cents to three dollars, as a valuation per acre, and that at seven per cent., making the amount of rents per acre.

November first was the time fixed in a majority of leases for the payment of rents. According to appointment I again went to Faribault and Northfield. This last journey I could have avoided, but for other business connected with the University. At the same time I made an examination of two tracts, which I had not before examined, viz: township 110, range 21. This tract was originally well and heavily timbered; 2,080 acres of this tract makes up the larger part of that conditionally relinquished to settlers by the Legislature of 1858. The other tract is two sections lying around and near Castle Rock, in Dakota county, all prairie land, with no settlements yet upon it.

Here I will relate a circumstance much to be regretted. The day appointed to leave Faribault and to be at Northfield, (November 5th,) I was indirectly informed that some Belgian settlers were trespassing upon this last named tract

of land. But obliged to be at Northfield the following day, I employed Mr. Fuller, the Sheriff of Rice county to go on the premises and ascertain the facts. It was found that they had deliberately cut one hundred and fifty or more of the finest and best white oak and ash trees, and were working them up into barrel staves. And on being discovered, the fact of their suddenly making escape, proved they were not ignorant of their offence. The evening after Mr. Fuller's return with his account, Mr. Batchelder sent word to Northfield, desiring me to return and take some action in the matter. I acceded with his wishes, and went with Mr. Fuller on and over the premises, and found all, or nearly so, of the best trees thus cut down. They had apparently just commenced cutting and removing the timber after making into staves, for which they had made a contract. I soon found a purchaser and sold the trees as they were, at one dollar per tree. No one of the trespassing party could be found to speak a word of English, so it was very difficult to accomplish any settlement or arrangement, or to make them understand our intentions. In taking counsel as to the matter of commencing prosecution, we were informed that the law is such that it is very difficult to succeed in bringing land trespassers to justice—the trouble resting on a defective clause in the statute. Here, allow me to say, we were told by the counsel that this defect had been a source of great inconvenience, and that during the last session of the Legislature, several parties had pointed out the defect, and urged it upon prominent members to make a move for an amendment, but to no effect, and it is to be hoped some other method may be tried to amend the law. It is an unmistakeable fact that timber lands, after being cleared of timber, as some are belonging to the University, are greatly lessened in value—at present much below the standard of good prairie land.

PINE TIMBERED LANDS, STUMPAGE, &C.

In the summer and autumn of 1860, four permits were given for cutting pine timber. One of the four parties did not think best to cut, consequently the permit became null and void. Others, on account of our lamented national troubles, cut less than they would under other circumstances. I have also for the same reason been obliged to extend the

payment of the larger amount due for stumpage the present year; at the same time I feel confident all that is left unpaid is well secured and will be paid, an account of which will hereafter appear in this report.

In March of the present year, I made a journey into the Pinerias. It will be remembered that all the pine lands belonging to the University are in three tracts, situated near each other, near the head of Rum River, upon good navigable waters, except one tract of less than two thousand acres on the upper St. Croix. These lands, although large amounts of timber have been taken from them, I found to yet contain large and valuable amounts of good pine timber. And I am still inclined to adhere to my former opinion, that good pine lands are more valuable than farming lands are at a great distance from the river or settlements. The apprehended danger of pine lands being trespassed upon is much less to be feared than is generally supposed.

The sanguine hopes which I entertained in 1860 of collecting arrears for stumpage from permits given previous to that time, have been unwillingly resigned, as my most strenuous efforts met only failure. This result did not arise from inability of the party to pay, or from lack of good and faithful promises; and I am led to regret the time I devoted to this, since it availed nothing but to show me the utter falsity of the party.

Respectfully submitted,

WM. M. KIMBALL,

Agent for granting Permits and Leasing Lands.

St. Anthony, December 1, 1860.

RECORD OF LEASED LANDS.

	Township.	Range.	No. of Acres.	Annual Amount.	Amounts Paid.
Saml. Henry, SW qr., SE qr of sec 15,	109	22	40	\$7 00	
John Boice, N. hf. of N.W. qr of sec. 12,	109	20	80	7 00	\$2 00
Ozro Carter, N. hf. of N.W. qr. of sec. 25,	109	20	80	9 80-100	9 80-100

	Township.	Range.	No. of Acres.	Annual Amount.	Amounts Paid.
John Cosset, N W qr. of S W qr. and N hf. of S W qr. of S W qr. of sec. 13,	109	20	60	8 40-100	8 40-100
D. D. Wemple, S E qr. of sec. 13,	109	20	160	33 00	
Chas. B. Kingsbury, E hf. of S W qr and S hf. of SW qr SW qr of sec 13,	109	20	100	14 00	14 00
Philip McLean, N hf. of N E qr. of sec. 26,	109	20	80	7 00	7 00
Milton Bean, S hf of S E qr. of sec. 12, and N hf. of N E qr. of sec. 13,	109	20	160	28 00	28 00
William C. Adams, N hf. of S E qr. of sec. 12,	109	20	80	14 00	
John C. Dull, S E qr. of S W qr. of sec. 12,	109	20	40	7 00	
John Williams, S hf. of S W qr. of sec. 13,	109	20	80	14 00	
Laman Beach, S E qr. of N E qr. of sec. 12,	109	20	40	7 00	7 00
Henry L. Soule, E hf. of N W qr. of sec. 18,	109	22	80	14 00	
Elizabeth Beach, S W qr. of N E qr. of sec. 12,	109	20	40	7 00	7 00
C. G. Coan, S E qr. of S E qr. of sec, 15,	109	22	40	7 00	
Jesse Carr, N hf. of S E qr of sec. 5,	110	20	80	11 20-100	
David S. Davis. N hf. of S E qr. of sec. 14,	111	19	80	10 00	10 00
C. Konoll, N E qr. of W hf. of sec. 22,	111	19	80	14 00	
R. S. Clinton, S E qr. of sec. 22,	111	19	160	28 00	28 00
C. B. Crosby, N E qr. of S W qr. of sec. 22,	111	19	40	7 00	
L. Bearman, N hf of N W qr. of sec. 22,	111	19	80	14 00	
August Pray, E hf. of N E qr. of sec. 22,	111	19	80	14 00	
E. L. Fuller, S E qr. of S W qr of sec. 22,	111	19	40	7 00	
D. N. Waters, N hf. of N E qr. of sec. 23,	111	19	80	14 00	
Godlow Pray, N W qr. of sec. 23,	111	19	160	28 00	
John Merrill, S hf. of N E qr. of sec. 23,	111	19	80	14 00	14 00
C. N. Ramsdell, W hf. of S W qr. of sec. 23,	111	19	80	14 00	

	Township.	Range.	No. of Acres.	Annual Amount.	Amount Paid.
William Bearman, S. hf. of S W qr. of sec. 14. - - - - -	111	19	80	14 00	
Uri C. Gillett, W hf. of N E qr. of sec. 14, - - - - -	111	19	80		
Or E hf of N E qr. of sec. 14, - - -	111	19	80	14 00	14 00
P. F. Jenkins, S hf. of S E qr, of sec. 14, - - - - -	111	19	80	14 00	14 00
*Joseph Chute, S hf. of S W qr. of sec. 22, - - - - -	111	19	80	14 00	
*Charles Bytum, E hf. of N W qr. of sec. 14, - - - - -	111	19	80	14 00	
R. B. Wilson, S E qr. of S E qr. of sec. 1, - - - - -	111	19	40	7 00	7 00

*Not executed by the second party.