1879 ought to be given effect to, and with that view the following resolutions were passed: (1.) That, in the opinion of the Senate, the benefits of university education should be extended to the North Island of New Zealand, by the establishment of two colleges—one at Auckland, the other at Wellington—capable of affording an academic education of the same standard as that obtainable at the Otago University and Canterbury College. (2.) That the scheme for establishing and providing a governing body for such colleges be that recommended by the Royal Commission on Education in 1879. (3.) That, in the opinion of the Senate, the erection of college buildings might be deferred, and temporary premises rented. (4.) That the Senate considers an annual grant of £3,000 for each of the proposed colleges would be sufficient for the present. (5.) That the Senate concurs in the recommendation of the Royal Commission on Higher Education that university land endowments be made for the proposed colleges at Auckland and Wellington respectively, so that a sufficient revenue to maintain these colleges respectively may be derived from endowments, and so that the Colonial Treasury may be relieved from the charge as soon as possible. (6.) That a copy of these resolutions be submitted by the Chancellor to the Government, requesting them to invite Parliament to make provision, during the ensuing session, for founding and maintaining these colleges.

This scheme recommended by the Royal Commission is based upon that devised in 1845, by the late Sir Robert Peel, for the promotion of university education in Ireland; and it might be as well to observe that, though the Queen's University in Ireland became merged in the Royal University of Ireland under an Imperial Act of 1879, the Queen's Colleges in that country were in no way affected by the legislation, but had all their rights and privileges preserved intact. The principle of Sir Robert Peel's scheme of university education has been, with some modification, recently carried out in England by the foundation, under a Royal Charter, of the Victoria University, to meet the wants of the large cities in the north of England. Owen's College in Manchester, which is the seat of the University, and which may be regarded as the nucleus of the scheme, is already in full operation as one of the colleges of the new University; and colleges of this University are now being established in Liverpool and Leeds, and probably in other large cities. This is the scheme which appears to the Senate suitable for New Zealand: it is of moderate expense, and capable of expansion, should the circumstances of the

colony warrant hereafter the foundation of other colleges.

A statement of the income and expenditure for the twelve months ending the 31st December, 1880, audited as prescribed by your Excellency, is hereto appended.

4th March, 1881.

HENRY JOHN TANCRED, Chancellor.

Sub-Enclosure to Enclosure in No. 1.

* DETAILS O	F Expenditur	RE.—GENERAL ACCOUNT.
1. Expenses of Senate,—		£ s. d. £ s. d. Brought forward 1,192 19 11 2,637 14 1 Stationery, 1880 27 5 0
Care-taker 3 3 0 Cartage 0 2 6 Clerical assistance 3 0 0 Printing 8 0 0		Imprest to Registrar, 1880 100 0 0 1,320 4 11 To which has to be added, as
2. Salaries and office,— Registrar 366 13 4 Clerical assistance 47 5 0 Rent and furniture of office 56 18 6	319 2 6	share of expenses of advertising, next class, two-thirds of total, £158 18s. 105 18 8
Coals 1 14 6 Messenger and cleaning 11 10 0 3. General printing and stationery,— General printing 312 9 0	484 1 4	6. Advertising 158 18 0 From which has to be deducted as chargeable to examinations 105 18 8
Stationery 22 1 3 4. Transfer to Scholarship Account	334 10 3 1,500 0 0	7. Miscellaneous,— Cheque-book 0 8 0 Expenses—presentation of
5. Examinations,— Supervisors, 1879 181 13 1 Examiners, 1879 941 5 0		diplomas 5 0 0 Legal opinion 1 1 0 8. Petty expenses,— 6 9 0
Telegrams to and from Eng- land, 1879 28 2 4 Ditto, 1880 22 15 0 Miscellaneous, 1879 19 4 6		Postages 1 2 7 Telegrams 5 15 4 Miscellaneous 7 12 10
Carried forward £1,192 19 11	2,637 14 1	Total £4,137 16 9

Note.—In this summary the sum of £100 imprest is included as an expenditure. The imprest was not closed until the end of January, owing to the absence of the Treasurer in discharge of duties for which it had been granted. It will be brought to account in due course.—J. OLLIVIER, Provincial District Auditor.—26th January, 1881.

* DETAILS OF EXPENDITURE.—SCHOLARSHIP ACCOUNT.

	£	8.	d.	£	8.	d.		£	8.	d. £	s.	d.
1. Scholarships,—							Brought forward			1,457	10	0
	562						2. Transfer to General Account			521	8	10
Senior and third year ditto	795	0	. 0				3. Miscellaneous—Cheque-book			0	8	0
Medical scholarship	100	0	0				4. Fixed deposit			5,130	0	0
_			-	1,457	10	0	_					_
			-				Total			£7,109	6	10
Carried forward			£	21,457	10	0						_