

Other Schools.—Owing to a request made by the Otago Education Board, Dr. Benham, F.R.S., with the entire approval of the Council, arranged for a course of lectures for teachers on natural history. An elementary mathematical class of five hours per week has been instituted.

Finance.—The method of book-keeping has been reorganized during the year, and various adjustments of accounts have been made, which result in complete separation of general and endowment accounts.

The Council is grateful to the City Council for the remission of half of the water rates, but would have been still more pleased had the City Council seen its way to remit the whole, as has been done the last few years. The Council's lessees in Dunedin have been put in a more satisfactory position by the passing of the Reserves and other Lands Disposal Act of 1907, by which certain disused streets and small parcels of land formerly covered by the Leith were vested in the Council.

The debenture debt of £11,000 becomes due on the 31st December, 1908.

The accounts, duly audited, and a statement by Dr. Shand, the Honorary Treasurer, are attached.

Benefactions.—Under the will of the late Arthur Beverly the Council becomes possessed of a valuable property in Dunedin, the estimated value of which amounts to some £15,000. It was Mr. Beverly's desire that the "teaching of the mathematical, mechanical, and physical sciences and subjects akin thereto, and then the natural sciences in their various branches," should specially benefit by the bequest. Mr. Beverly also expressed a preference for the founding of scholarships to encourage young persons of good moral character who have talent and industry, but have not wealth. In addition to the property above referred to, Mr. Beverly left books, telescope, and other instruments to the Council.

Dr. Colquhoun and others during the year presented a small statue of the late Cecil Rhodes.

The widening interest of the public and of individuals in the University is very encouraging; and, in order that Your Excellency may appreciate the growth, I append a list of benefactions, which was prepared at the direction of the Council this year.

Received from private sources, in addition to the list of scholarships and prizes already contained in the calendar:—

Date.	Donor.	Amount.	Object.
1903	Public subscriptions, <i>Evening Star</i> fund...	£ 820	Extinction of floating debt.
1903	Trustees, Dunedin Savings-bank ...	6,500	Endowment.
1904	Wolf Harris, Esq. ...	2,100	Endowment, Chair of Physiology.
1904	Mrs. Lothian (bequest) ...	600	Endowment.
	Public subscriptions—		
1905–6	{ <i>Otago Daily Times</i> ...	2,120 }	Buildings and endowment.
	{ Citizens' Fund ...	2,080 }	
1906	New Zealand Dentists ...	1,000	Dental School building.
1907	Arthur Beverly, Esq. (bequest) ...	15,400	Teaching of mathematical, mechanical, and physical sciences, &c., and scholarships.
		(estimated)	

Dr. Hocken's Gift.—During the year the Council accepted responsibility for the care and preservation of the valuable collection presented to the public of New Zealand by Dr. Hocken, and the necessary trust deed was completed. I have pleasure in reporting that the building, being an addition to the Museum, is in process of erection.

I would again draw attention to the fact that the University has control and responsibility of the Museum, but that the provision made for the cost of upkeep is inadequate. I would respectfully urge that a further allowance be made by Parliament for this important institution.

Students' Building.—Reference is made in the report of the Chairman of the Professorial Board to the need of a students' building and further class-rooms. With regard to the former, negotiations are still in progress with the Students' Association and the members of the University Christian Union. The latter body proposed to raise £1,500, and asked the Council to subsidise by £1 for every £1 raised. As the Council had no means, the matter was referred to Your Excellency's Government. It may have appeared to the Minister that the subsidy was asked for a building to be erected and controlled by the University Christian Union, and in consequence an unfavourable answer was returned: it is now proposed that any building erected should be under the control of the Council, both the Students' Association and the University Christian Union being called on to assist the Council. The need for such accommodation is very great, and I trust your Minister may reconsider the matter, and assist the voluntary effort by which it is proposed to raise half the funds necessary.

Conclusion.—In conclusion, it is with pleasure I assure Your Excellency of the vigorous life of the Otago University. Much has been done, but much more requires to be done to keep pace with growing requirements. The faculties already in existence are developing, and their needs grow. I feel that the University cannot be fulfilling its highest function till it comes even more closely in touch with the life, professions, and businesses of the people; and particularly does it seem expedient at the present time to develop the teaching-power, so that it may in time bring knowledge and influence to bear upon veterinary, farming, and agricultural pursuits.

Addendum.—Since the 31st March, 1908, the Grey Russell Scholarship has been awarded to Henry W. Slater, the Richardson Scholarship to William M. Stewart, the Women's Scholarship to Mary Shand Watt, and the MacGregor Prize to William H. Uttley.