

is with regard to the anomalies that exist in our University finance. You will see, for example, that to maintain a University which is purely an examining University—and does no work of a constructive kind—it does not help to teach any subject or promote research, but it costs £8,000 a year. £5,000 a year is spent in scholarships, which are, of course, a direct help to students; but the total expenditure of the University is £13,000, so (subtracting the scholarships) we find that the University spends £8,000 on merely testing the knowledge of the candidates. You will find that Auckland University College spends £8,700 a year, but, instead of holding the examinations, Auckland has to maintain a staff of teachers, and attempts to teach all the subjects of the arts, science, mining, music, commerce, and law degree courses. I think you can see at once the extraordinary anomaly which exists here, that the University should spend merely on the annual examinations for New Zealand as much as the Auckland University College spends in teaching all those subjects to a large number of students. Another anomaly is the relative expenditure on engineering and medicine. You see that the expenditure on engineering is £6,600 a year. There are twenty-five students for the degree, and 151 other students. Of course, the other students are not comparable with the students studying for the degree. The Medical School has about £3,600 a year, but it is very difficult to discover what the Medical School spends owing to the nature of the accounts available. The number of students is eighty-four for medical and ten for the dental degree. They devote all their time to the work, and are taking a full course in dentistry and medicine. The teaching in engineering is well done. The Engineering School is an efficient institution, well equipped, and the teaching is reasonably high when it is remembered that we are a community of only a million and the University has existed for forty years. How is it possible for the Medical School to attempt to cover all the subjects, medical curriculum, and teach all those students on an income of £3,600 a year? It is impossible. I pointed out to you that New-Zealanders are probably sending at least £9,000 a year Home to maintain medical students who are being educated there. It seems to me, in face of these facts, that it is for you to say whether that should be continued, or whether the Medical School here should not be made as efficient as is the Medical School in Melbourne or in Sydney. There are other anomalies in finance, but I do not wish to take up too much of your time, so I will pass to some other questions. I might say that I should be very glad to answer any questions you may have to put to me on the subject of finance in connection with the University, and I will attempt to defend the statements that are made in the pamphlet. I think Mr. Allen asked me for some constructive evidence to remedy the position of the University. I would like to mention certain principles that seem to me ought to be applied in any attempt to put the finances of the University and its colleges into order. The first principle is that a higher income which anticipates an increase of students and the needs of the community for a more highly specialized training should be provided for the University and the colleges. The income should be assured. When you look at the finance of the Victoria College you find that it exceeds its income by from £1,000 to £2,000 a year. The figures I have show that it is going to the bad by £2,000 a year. I have found out from the Treasurer of the Victoria College that it is certainly going to the bad by over £800 a year. I think that is a very unsatisfactory position for a college. The reason is that we have not an assured income. The college is overspending its income, and knows it has to stop when it has exhausted its reserve funds. After that it gets an overdraft, and if that is called up the councillors will have to stop work. Finance of that kind is one of the things that arise from an uncertain position. The councillors of the college believe if they go on like this they will go to the Government, and the Government will give them something to put matters right. I think that is very unsatisfactory. I do not think a University College should be put into the humiliating position of having to wait on the doorstep of the Minister of Education; and, on the other hand, the Government should not be engineered into the position of being forced to give an extra grant. The second point is that the expenditure on a university should be in accordance with the needs of the students and the community. It must be obvious that if no extension of expenditure is possible, all concerned in the university lose heart in their work. The second principle is of a negative character: it is that there should be no payments by results. You must not count the number of students and give a grant accordingly, because that entirely leaves out of account quality of work; and I think it is sufficient to say that the effects of payment by results has been ruinous wherever it has been tried. The Royal Commission we ask for should fix the income given to each college, as is done in England. The Commission, I think, should be asked to state what are the reasonable needs of the various colleges when it reports; and in doing so it would take into account, as the standing English Commission does, the various needs of the number of students and the quality and nature of the work in each college. It would then be for the Government to make some definite provision for that income. There are two possible ways of providing it. One is to do as they do in America—to give a certain defined fraction of the revenue of the State. The income of New Zealand is of the order of £10,000,000. Supposing it was decided by the Commission that the Government were to give £35,000 or £40,000 per annum—that is somewhat more than they are giving at present—it would amount to 0·35 per cent. of the income of the Dominion. In America the system is to give such a percentage on the average income of the State for the last three years. Then, as a State grows, and its population and prosperity increases, its revenue increases, and so does the revenue of the university. On the other hand, if the State goes back the university revenue is cut down. I do not think there is any great objection to stopping the expansion of the university under such circumstances. Another way by which a permanent and assured income could be given to the colleges would be to set apart land in the North Island to endow the colleges of both Islands. It has to be said for the South Island that the Provincial Legislatures of Otago and Canterbury have done that for their colleges, but the land endowments in the south would have to be increased. Such a policy would also meet the requirements of an increased expenditure, because no doubt the value of the land would increase with time, and so provide an expanding income for the colleges and university.