

Table N.—*Estimates of Annual Revenue and Expenditure (as in June, 1912)*—continued.

REVENUE.	Proposed (b).	Actual (1910-11).
	£	£
Grants from Consolidated Fund	7,000	...
National endowments	2,500	...
Fees (d)	4,000	...
Taranaki Reserves	500	...
Voluntary contributions and subsidy (commerce) (c) ...	300	...
Miscellaneous (income from reserves, technical capita- tion, &c.)	150	...
Total	£14,450	£9,700

Increase in income, £4,750.

Notes to Table N.—(a.) Proposed expenditure: I have set down the full cost of the suggested minimum staff, have increased the estimates for libraries and laboratories, and have reduced that for administration. (b.) I have given full details of the estimated revenue under the proposals in the report. If the national-endowment revenue is not allocated as suggested the sum might be voted by Parliament. (c.) The New Zealand Society of Accountants contributes £150 a year, on which a subsidy of pound for pound is payable. The technical capitation amounted last year to £40. (d.) I have reduced the estimate of the income from fees; but to guard against an uncertain revenue during the period of transition I would guarantee for three years to Victoria College (and perhaps also to Auckland) a revenue of £14,000 from grants, endowments, and fees.

A suggestion was made by Professor Laby that the Education Department was opposed to giving subsidies on voluntary contributions made to promote research. This is far from the truth. In the instance quoted by him there was at the time the application was made no vote on the estimates out of which subsidy could legally be paid; a special vote is required, because there is no statutory provision for such subsidies. In my opinion, subject to necessary conditions, subsidies should be paid on voluntary contributions made to a college in the same way as they are paid in the case of a secondary school. It was said (i) that the specialization grants were abolished, and more particularly (ii) that no provision was made for specialization in law at Victoria College.

(i.) The proposals are that all the Government grants should be consolidated and not earmarked, thus leaving the colleges greater freedom. (ii.) A careful examination of Tables H and I will show that specialization in law has not been overlooked either as regards the staffing or the financial provision for it. The cost of two lecturers in law at the rate assumed would be £600 per annum, but instead of that arrangement two professors and one assistant lecturer are provided with total salaries of £1,550; the extra provision, therefore, as compared with that, say, at Canterbury College is £950, and this is the amount allotted at present for specialization in law. (The word "specialization" is purposely not used either in Table H or in Table I.) The amount named is certainly not enough to reach even a most moderate ideal, but it seems as much as could be allowed for the immediate needs when there are only three advanced students.

Specialization in Science at Victoria College.—The meaning of this in the vote when it was first given was that at that time there was no separate Chair of Physics, and the intention was to earmark a sufficient sum to establish a Chair of Physics.

Objection was made to granting money to the University in trust for the colleges: my reply is that this suggestion of mine to some extent anticipated the recommendations of the Commission on the University of London.

Again, objection was made to the attitude of the Government in regard to the research scholarships inasmuch as one of the conditions is that the subject of the research shall have some bearing on the industries of the Dominion. This appears to me to be a very fair condition for a Government research scholarship. Pure science research scholarships should, of course, be founded also; but why should not the University found such scholarships out of its annual grant or out of its scholarship fund?

Finally, we have the general statement by Professor Laby: "Above everything the financial arrangements can only be determined after a policy has been laid down in University education in New Zealand." I have seen a long effort to reform and define University education policy in New Zealand; I do not know how long it may be before it is settled. But even now some good work is being done; we should not let the horse starve while the methods of agriculture are being discussed and the architecture of the stable is being designed. Enough money for the immediate minimum needs should be given. And let the finance be readjusted, if necessary, when a reorganization of the University and its colleges takes place.

4. *Mr. Malcolm.* In regard to research scholarships, Mr. Hogben, has the Department or the Senate considered the question of asking students to investigate particular subjects? I am thinking just now of the flax question. Research scholars, I understand, are allowed to devote themselves to whatever line of research they are interested in?—No, hardly. We make the suggestions. As a matter of fact, we suggested the investigation into flax, and a very valuable research was made into it two or three years ago. Some subjects were suggested which it was considered did not have a sufficient bearing on the industries. We had an interdepartmental conference with the experts of the Agricultural Department, and as a result we suggested to Canterbury College that it would be desirable to deal with the flax question. It was a lady who took it up, and the report was a very valuable one. It has not been printed—the printing would be too costly.