

Approximately, making allowance for uncertain items, we may set down the assured present annual income of the several colleges as follows :—

	£
Auckland University College	10,200
Victoria College	9,700
Canterbury College	15,000
Otago University	17,800
Total	£52,700

Comparing these revenues with the expenditure entailed by the proposals I have made to meet the needs of the university colleges, we see that there is the deficiency of revenue as follows :—

	£
Auckland University College	3,600
Victoria College	4,100
Canterbury College	2,450
Otago University	5,150

PROPOSALS FOR MEETING THE DEFICIENCY.

(1.) *Fees*.—I see no reason why the fees for the arts, science, commerce, and law courses should not be the same or nearly the same in all the colleges, and also high enough to ensure that the additional costs of staffs and administration for an increase in the number of students would be met by the increased receipts from students' fees.

The fees vary a great deal now in the several colleges. Taking the fees paid by the Government on behalf of the holders of Senior National Scholarships and bursaries as an approximate indication of the fees payable by students taking degree courses in arts, science, commerce, and law, we find the average fees paid by such students to be :—

	£	s.	d.
Auckland University College	12	10	5
Victoria College	5	15	10
Canterbury College	14	18	3
Otago University	14	11	6

If the fees at Victoria College and Auckland University College were brought up to the same scale as obtain, say, in the University of Otago, the amount of fees, assuming the number of students to remain the same, would be increased by about £3,360 and £385 respectively. Allowing for the falling-off of casual students if the fees were increased, it might probably be estimated that the revenues of the two colleges in question would be increased by £2,500 and £200 respectively. I have already suggested that any hardship to poor deserving students might be avoided by the award of bursaries. The change, if a change were made, should be made gradually—that is, the higher scale should apply only to students who have not yet entered the colleges. The raising of the fees for a degree course somewhat less than in the manner indicated to an average fee of £12 10s. would give Victoria College an increased amount of nearly £2,800, or, making all allowances, of, say, £2,500.

The smallness of the total receipts from fees at Auckland is partly due to the comparatively small number of students there. Its revenue would, with the improved finance suggested below, come up to the standard if the number of students were to increase up to the average attendance at the colleges.

(2.) *Statutory, Special, and Other Grants*.—These now amount in the case of Auckland to £7,200, of which £4,000 is statutory; similarly, Victoria College received £7,500, of which £4,000 is statutory. I would give each of them a statutory grant of £7,000, instead of the present statutory and annual grants. In the case of Canterbury College, the statutory grant of £2,000 should replace the annual grant of the same amount. The deficiency in the revenue of the University of Otago as compared with its requirements is due to the heavy cost of the professional schools; it should, in my opinion, have on this account a statutory grant of £5,500 instead of the present annual grants amounting to £2,750.

(3.) I have already expressed the desirability of giving the colleges additional endowments, the revenue of which would be likely to increase with the progress of the Dominion. The national endowments appear to me to furnish such conditions, and I know of no better use to which they could be put. The proportion of the revenue from these endowments that is devoted to purposes of education amounts at present to £45,000 per annum. It was suggested in a Land Bill introduced, but not passed, two or three years ago that 20 per cent. of this portion of the national endowment revenue should be allocated to university education. I suggest that it would be a wise thing to set aside one-quarter or even one-third (at present £11,500 or £15,000) for university education. Out of this I would suggest that £2,500 be given to each of the four colleges—£10,000 in all—and that the remainder should be paid to the University of New Zealand in trust for the following purposes, as might be required from time to time, namely,—

- (a.) To meet, if necessary, in whole or in part, the cost of staffing of any new faculties or Chairs or lectureships that might be established in any of the colleges with the approval of the Senate;
- (b.) To meet the cost of buildings required in consequence of the establishment of such new faculties or Chairs or in consequence of the increase of students, either by grants or by loans repayable over a term of years; and
- (c.) For grants in aid of college libraries.