(Perhaps it might be advisable to pay over the whole national endowment revenue allocated to higher education to the University of New Zealand in trust as above. The Senate would then be in a position to enforce the due payment of loans.)

- It will be seen that as soon as the number of students at Auckland University College had reached the average its finances would enable it to make the suggested improve nents in staffing, and mean-

while it could make many of the improvements at once.

Victoria College would be in as good a position if it raised its fees. The financial position of the

other two affiliated institutions would also be sound.

The higher-education reserves in Taranaki now furnish the funds for the Taranaki Scholarships, which, however, absorb only a small portion of the revenue. The unspent balance of revenue last year was £663, which was added to the accumulations of previous years; the total accumulated balance is now over £10,000, the interest on which is sufficient to meet the amount required for scholarships. It is not likely that a University College can be established in Taranaki within the next quarter of a century. Meanwhile the work of affording higher education for Taranaki is being carried out by Victoria College (though a few Taranaki students go to Auckland). It would be, in my opinion, a v'ery just thing for Victoria College to receive £500 a year from these reserves until such time as a University College was established in Taranaki. This would not absorb all the revenue, so that the fund would still go on increasing. It must be remembered that every extra student throws an additional burden upon the teaching college, and scholarships, although they assist the student, do not help the college.

I have now only to deal with the capital expenditure required at the four colleges.

B.

CAPITAL EXPENDITURE REQUIRED.

AUCKLAND UNIVERSITY COLLEGE.

There is no room for doubt that this college is in urgent need of new buildings. The present buildings, which were originally the Provincial Council Chamber, are dilapidated; the lecture-rooms are too few in number and too small, and the overcrowding gives rise in many cases to insanitary conditions. With the present number of students the total unsuitability of the buildings for a University College. always well known to those engaged in the work, has become patent to the most casual observer. laboratories are insufficient, and cannot be improved except by an expenditure that would not be warranted in the case of such old buildings. The College is almost entirely wanting in the accommodation of all kinds, for the staff and students, which such an institution should possess. In short, at present, the College is a credit neither to the University nor to the City of Auckland. The site is centrally and conveniently situated, but is far too small. It is greatly to be regretted that the question of a new site still remains in suspense. The large number of students of arts, law, commerce, engaged during the day who attend the College renders it desirable that the site chosen should be central, and the nearness of the Training College (from which a considerable proportion of the students come) to the present University College is an argument in favour of the same contention. The area of the site chosen should be sufficient to provide for future expansion.

If a site were provided near the present site, the building of the new College could take place gradually—part of the old buildings being still used while the work was in progress. If is difficult to estimate the total cost of a new College, which has been variously set down at £50,000 to £100,000: probably it could not be less than £60,000, and the sum required to complete the building, if really adequate in view of probably future needs, might be £75,000. If, however, £50,000 could be provided during the next five years, and £25,000 during the five years following, a thoroughly good and suitable building could be erected, sufficient to meet the probable needs of the University district for the next The building should, of course, be planned with a view to the final form it would assume, and the parts added from time to time so as to be immediately available, and yet not open to criticism from an architectural point of view. I might add that some parts of the present building show such

signs of age that they cannot possibly last much longer.

The College has no funds out of which it could meet any portion of the cost of new buildings. Perhaps, if the Government were to find the cost of what is absolutely essential, some help might be forthcoming from the generosity of private citizens—which in other ways has already benefited both the city and the University College. The College has other needs, but in my opinion it would be a waste of money to patch up or add to the present buildings, and I do not recommend any grants for such a purpose: all the requirements brought under my notice would be met in the most suitable way by rebuilding, not otherwise. (If the present attempt to carry on part of an engineering course at the College were relinquished, the temporary School of Mines could be used for a time as a science laboratory.)

VICTORIA COLLEGE.

The number of students and the number of subjects taught at the college have both increased during the last few years, and there is urgent need for additional lecture-rooms, for a biological museum, for the fitting-up of a biological laboratory, and for increased accommodation both for students and books in the library. The first of these needs could be met, but only partially, by fitting up for use the top floor of the present building, which is estimated to cost £500: but the other requirements and others almost as urgent, such as additional rooms for professors and for students' studies, &c., would be most satisfactorily met by the completion of the north end of the present arts building, which would probably cost £6,000 or £7,000. Perhaps £7,000 for buildings, &c., would be enough to provide for all