

The question will naturally be asked, what has been done with the £15,930, balance of income not used for its legitimate purposes, and the £8,800 of uninvested endowment? We have not to go far for an answer. The University Building, including the gas fittings, have cost £34,024, though the original contract was stated to be for £24,736. To meet the first-mentioned sum subscriptions were received amounting to only £1,890, and the Government granted a special subsidy of £16,814. Hence there was a deficiency on this account on December 31 of £15,320, or very nearly the balance of unused income to that date. Virtually this means that not only the special subsidy for the building, but nearly the whole of the subsidy for the maintenance of the University was expended on bricks and mortar. The latter, we need scarcely point out, was a direct violation of clause 15 of the University Act of 1874. We are now in a position to give a brief summary of what has been done with the University funds from the outset to the end of last year. On the receipt side we may put balance of income, £15,930; balance of endowment uninvested, £8,800; other receipts not accounted for in the foregoing, £126 0s. 6d.; making a total of £24,857. On the payment side we have building account—excess of payments over receipts, £15,320 11s. 6d.; Government, for improvements on dedicated lands, £2,879; furniture, £1,212; library, £1,627; lavatories, £2,333; Medical School, £144; Museum, £77; balance in the hands of Agent-General, £106; balance in Bank, current account, £1,156; making a total of £24,857. In other words the Treasurer has only £1,262 cash to represent the uninvested Endowment Fund of £8,800. It is true that in the published accounts there is entered as an asset, “Rent in Arrears, £4,779;” but as at the end of 1881 the arrears were only £2,841 it does not look as though there was much prospect of getting in the whole of the sum set down as an asset. Even if the whole of it could be reckoned as an asset immediately available for investment, the accounts would still show that upwards of £15,000 of the income has been spent upon the building, and there was only about £6,000 to represent the £8,800 uninvested balance of the Endowment Fund.

We submit that this is a very serious state of affairs, especially in the light of last year's finances. It calls for prompt and searching enquiry on the part of the Government and the Parliament. With

regard to the £15,000 odd of income which has been spent on the building we suppose that must be regarded as swallowed up. It ought to have been used in furthering the teaching power of the University; it has been spent on a building instead. If necessary, we suppose a Validating Act could be passed to free the Council from the liability they have incurred by this misuse of their funds. But with regard to the £8,800 of uninvested endowment it is a shame and a scandal that this should have been used even temporarily for other purposes. We fail to see how it is to be made up. Last year the income of the year was only just about equal to the current outlay. This year the expenses will be at least as heavy. The non-investment of a part of the Endowment Fund of course diminishes the income; and we repeat, we are at a loss to understand where the Council are to get the £8,800 which they have improperly spent. They have no business to use the income of the year for the purpose, and if they did so, they would cripple the work of the University to that extent. Certain it is, however, that the amount must be forthcoming. Until the Council show that they have investments representing the whole of endowment,

which amounts to £41,250, they rest under the stigma of having grossly abused their trust. It is anything but reassuring to find that the investments at the close of last year were about £3,000 less than they were at the end of 1881. How little the Council appreciate the true position may be gathered from the fact that the only allusion in the report to the accounts is the statement that they are appended. It might at least have been expected that some explanation would have been offered of the extraordinary state of affairs disclosed, and that something would have been said as to the steps which the Council propose to take in order to bring the finances out of the discreditable muddle into which they have been allowed to drift.