

£2,200, has been invested in Government debentures. The Council at the time expressed its deep obligation to Mr. John Roberts, C.M.G., the Chairman of the Citizens' Committee; to Mr. George Fenwick, managing director of the *Daily Times*, who had taken an active part in the initiation of the fund; to the other members of the Committee; and to the subscribers, for this generous and timely gift, which enabled the Council to carry out its purpose of extending and strengthening the Medical School without waiting for further assistance from Your Excellency's Government. Your Excellency will recognise in this benefaction, as well as in other benefactions received in former years, a pleasing proof of the keen interest taken in the University by the people of Otago.

The debenture debt of £16,000 became due on the 1st January, 1907, and I have pleasure in notifying that £5,000 of this was met by a parliamentary vote, and the remainder was renewed for two years at the former rate of interest.

There has been considerable outlay during the year on account of repairs to the Museum and other buildings, as will be seen from the accounts submitted.

It was also, in the opinion of the Council, necessary to increase the salaries of the lecturers on geology, metallurgy, and French.

The thanks of the Council are due to the City Council of Dunedin for remitting the water rates for the year 1906-7.

The accounts of the University, duly audited, are attached hereto, as well as the statement of the financial position of the University submitted to the Council by Dr. Shand, the Honorary Treasurer.

The Museum.—The Otago Education Board has been granted permission to occupy at the will of the Council a portion of the Museum Reserve, for the purpose of erecting the janitor's house in connection with the Training College for Teachers.

I have much pleasure in reporting that Dr. Hocken, a member of the Council, generously presented to the public his valuable collection of early New Zealand records, on condition that suitable accommodation was provided. Under the stimulus of an offer on the part of Your Excellency's Government to give a subsidy of pound for pound up to £3,000 on local subscriptions, a sum of £2,796 10s. has been collected, in respect of which a subsidy of £2,776 10s. has been received. The trustees of the fund having requested the Council to allow an addition to be made to the Museum, and having desired the Council to take the responsibility of the care of Dr. Hocken's collections suitably housed in the addition to the Museum, the Council has consented to do so, and it is anticipated that ere long a portion of the northern wing will be added to the Museum building. It is right to point out, however, that the Museum is a considerable tax on the Council's finance, and that the revenue received as an equivalent for the rent of the Museum Endowment, the control of which the Government has now undertaken, is not sufficient to meet the annual expenditure, and I respectfully urge that provision be made by Parliament to supplement the revenue.

The First-appointed Professors.—Professor Sale, Dr. Shand, Dr. Black, and Dr. Scott were given life appointments, with an undertaking that if retired they should be paid £300 per annum. For thirty-six years the first-named professor has faithfully served the Otago University, and, as he desired that his position after so many years' service should be considered, the Council reluctantly decided that he should be allowed to retire at the commencement of the session of 1908.

This retirement raises the question of superannuation, and the Council would be pleased if provision could be made for the professors and lecturers of the University in the Teachers' Superannuation Act, or some similar measure.

Various.—It is with pleasure I call Your Excellency's attention to the fact that two members of the Ministry, the Hon. Dr. Findlay and the Hon. R. McNab, are graduates of the New Zealand University who received their training at the Otago University.

In conclusion, I would point out, though it may seem almost unnecessary, how the work and responsibility of the Council increases year by year, how the requirements of the University continue to increase, and that elasticity of the revenue to meet the growing requirements is a matter in the hands entirely of Your Excellency's Government and Parliament. The Council would gladly make provision for post-graduate and original work, and cannot feel that the University is doing all that modern requirements demand till such provision is made; but they are helpless without the necessary funds.

I commend this matter to Your Excellency's earnest consideration, in the hope that this need may be recognised and provided for.

JOSHUA STRANGE WILLIAMS, Chancellor.

OTAGO SCHOOL OF MINES: REPORT OF THE DIRECTOR, PROFESSOR JAMES PARK, M. INST. M.M.,
M.A. INST. M.E., F.G.S.

THE Director reported as follows:—

The Mining School for the year ended the 31st December, 1906, showed an attendance of 30, of whom 27 were matriculated students of the University of New Zealand. Of the 30 registered students, 9 attended one subject only—namely, 3 in assaying and 6 in geology. Six students in their final year completed the full course in the division for which they had entered, and 3 in their final year did not complete their course, each of them having failed in one professional subject.

Annual Examinations.—Thirty students presented themselves for examination in twenty-one subjects, and of these 1 failed in senior surveying, 1 failed in senior surveying and assaying, and 1 in senior surveying and metallurgy.