

# UNIVERSITY FINANCE

August 8/9/31  
TIME OF STRESS AHEAD.

## SACRIFICE BY STAFF.

### £10,000 SAVED ON SALARIES.

Voluntary sacrifices of salary by the staff to assist the University of Melbourne in a period of difficulty were announced at a meeting of the University Council yesterday. The Chancellor (Sir John MacFarland) pointed out that more than half the salaries paid to the teaching staff were paid under contract; whatever had been done by the professors and others had been done voluntarily so that the value of the University's work might not suffer in any way.

Mr. Samuel McKay, presenting the report of the finance committee, said that the financial position of the University raised two problems—one of the immediate future and the other of the next half-dozen years or so. The immediate problem was to adjust expenditure to a sudden fall in income this year from Government grants and from interest, and to a sharp rise in costs because of exchange. Government grants had been reduced from July 1 by 20 per cent., or £12,500 a year; the University had converted all its holdings of Government stock, amounting to £277,000; and the exchange rate, with primage and sales tax, had added about 40 per cent. to the cost of books, periodicals, and imported apparatus.

"If there were no long-term problem," Mr. McKay continued, "the task of immediate adjustment to these changes would not present great difficulty, for in the current year the number of students entering for lectures and for public examinations to date has not fallen compared with last year. The history of the depression of the '90's, however, shows that there is a considerable time-lag between the onset of a depression and its full effect on the University. The number of students increases at first, in spite of the depression, because of the lack of opportunities for young people elsewhere. As the depression becomes intensified, however, University numbers begin to decrease rapidly, and they continue to shrink for several years after the community at large has turned the corner. This will involve the University in a grave diminution of income for a good many years. Trust funds, from which scholarships and prizes are paid, will be seriously affected by the fall in interest rates. All the evidence, therefore, is that the time of real stress for the University lies still ahead, when diminished numbers in the schools begin to show their effect. Unless the University can consolidate its position now, its efficiency is bound to suffer seriously at the very time when it should be giving its best service to the community.

#### Sound Financial Position.

"Fortunately the University has always been administered with strict economy, and it enters on its period of adversity in a sound financial position. Moreover the difficulties were foreseen and taken in hand more than a year ago, and a drastic

retrenchment of expenditure has resulted in considerable savings during this year. Now the council has received a voluntary offer from members of the staff to contribute 10 per cent. of their salaries for the remainder of this year and throughout 1932, and to increase the rate of contribution to 15 per cent. if necessary when the University resumes next year. This is a noteworthy example of adjustment by voluntary agreement of long-term and short-term contracts alike. The offer is virtually unanimous throughout the University.

"University salaries have not risen since the war proportionately with the general salary level in the community, and even the immediate reduction of 10 per cent. brings the average professorial salary below the pre-war level, while the average salary which will be paid to the 14 chairs which existed in 1914 will be more than 7½ per cent. lower than the amount paid in 1914. It is believed that there are very few salaries in the community which have yet been brought down to this level. This immediate loss does not really represent the total loss suffered by University teachers. One of the most serious effects of the exchange position on the University lies almost hidden. Indispensable books and periodicals cost up to 50 per cent. more, and no teacher, expert, or investigator can expect to maintain his efficiency without periods of study abroad. The additional saving necessary to provide for these expenses represents, of course, a further loss of effective salary."

Mr. McKay added, in reply to a question, that the savings in salaries would amount to about £10,000.

The council accepted the offer of the staff, and members expressed their great appreciation of it. Sir James Barrett emphasised that there had been no interference with contracts.

#### Professor Wadham's Position.

On the recommendation of the finance committee it was decided, subject to the Government grant being made permanent, that Professor Wadham be offered appointment at £1,200 a year under the normal conditions of tenure, provided that the endowment for the school of agriculture continued sufficient to enable the salary to be paid.

A letter was received from the Royal Victorian Institute of Architects regretting the University's decision not to amend the constitution of the proposed faculty of architecture to provide that the dean of the faculty should be a member of the architectural profession, and suggesting that the establishment of the faculty be abandoned.

It was decided to inform the institute that the constitution had already been agreed upon.

Mr. M. P. Hansen (director of Education) directed attention to the burdens imposed upon purchasers of University and school books by the primage duty and sales tax.

The council decided to communicate with other Australian universities with a view to considering whether concerted action should be taken to obtain relief.

The council accepted an offer by the trustees of the E. H. Embley memorial fund of a gold medal, to be known as the E. H. Embley gold medal for anaesthesia, to be competed for by sixth-year students.

Adv. 29-9-31

## LESSONS FROM HISTORY

### How War Could be Abolished

When he lectured to the newly-formed University body, the International Club, at the Refectory last night, on "Has It Been Done Before?" Professor W. K. Hancock, who holds the chair of modern history, drew some lessons from history, the reading of which Henry Ford thought to be "all bunk."

Professor Hancock, while giving credit for the remarkable inventions of the modern world, said the people today were really not unique. Even though they had invented wireless the people of other days had invented language, and before astronomy, there was the invention of the calendar.

Everybody wanted to know whether war could be abolished. It was always recurring, and some said while human nature was what it was, there would always be fighting. History, however, showed that war could be abolished by some nation delivering a knock-out blow. The only question was whether it was possible to do it before human vitality was exhausted. Human problems were much more difficult than physical ones, with which modern science was chiefly concerned, and the principal human problems of war and peace, for instance, had never been solved.

Professor Hancock told of Christianity gradually overcoming the Roman Empire, and drew a parallel with the present day and Communism. If a big change were to come, he said, it would come from Russia or India. He believed it would be from Russia.

With the Vice Chancellor's compliments

F.W.E

11. 9. 31