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University Finance.

THE problem of university finance is not a simple one, and the solution is not yet. Apart from endowments, which in this country are relatively small, the three main sources of income are students' fees, Parliamentary grants, and grants from local authorities, and these three bear no fixed relation to one another. Students' fees vary according to time and place; the Parliamentary grant, administered by the University Grants Committee, seems to be allocated according to no definite principle; and the local authorities may or may not contribute to the maintenance of the universities, and where they do contribute their subventions from the rates are by no means uniform in amount. Even in normal years the fluctuating character of the income makes the task of financing a university not a light one, while in abnormal times the task becomes one of difficulty and embarrassment. Under such conditions the marvel is that so many able business men have been found ready and willing in an honorary capacity to give their time and energy to help in directing the financial affairs of our universities. That they do so speaks much for the hold which higher learning has upon a valued and important section of the community, but such interest ought not to be looked upon as a justification of the system, or rather lack of system, of finance which exists at present.

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One of the main principles which should govern university finance is that the income should be stable. There should be sufficient for necessary needs, and something over for development and expansion. Now it is no exaggeration to say that in most, if not all, of the universities at present this fundamental principle is more honoured in the breach than in the observance. Very few can budget with reasonable certainty for several years ahead, yet they most certainly ought to be able to do so if they are to fulfil the function for which they were founded. For one thing there should be reasonable assurance of reasonable salaries. But since in general the salary bill of the teachers is rather more than half the total expenditure, it is obvious that a fluctuating income makes it extremely difficult to give that assurance. The teachers may lament their hard lot, and it has been extremely hard with many, but if there is no certainty as to income from year to year there is little hope for a reasonable and proper amelioration. In view of such facts, it was well that university finance should be discussed at the Congress of the Universities of the Empire held recently at Oxford.

The subject was opened by Sir J. A. Ewing and Dr. Adami in two interesting and able papers. The former gave a comparative statistical survey of the larger universities, arriving at the conclusion that the average cost "per head," in the fourteen university institutions selected by him, amounted to approximately 65*l.*, and that of this sum 34*l.* was spent on salaries and superannuation, and about 6*l.* on administration. These figures, though they must be taken with some reserve, are interesting, but do not "cut much ice." Perhaps it is more helpful to learn that 25*l.* of the 65*l.* is paid by the student, and 20*l.* comes from Parliamentary grants, for then we gather that the student pays rather more than one-third of the cost of his education, while the Government pays rather less than one-third. But what further inferences we are to draw from these statements the learned principal of Edinburgh University omits to say. Incidentally, however, there emerge two facts which some of our more observing readers might have anticipated. The first is that among universities the economic advantage of large-scale working holds just as in ordinary business concerns; and the second, that the group of three Scottish universities is run at a lower cost per head than any of the other groups. In view of this it would have been interesting, and no

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doubt instructive, had the statistics contained a comparative table of salaries paid in the various universities or groups of universities quoted by Sir J. A. Ewing.

Turning to the paper read by the vice-chancellor of Liverpool University, one is struck by the clear exposition of the subject, the principles enunciated, and the policy suggested. The aggregate income of twenty-one institutions of university rank in Great Britain has been carefully analysed. From the figures given we find that students' fees amount to 39.7 per cent. of the total income; Parliamentary grants, 36.5 per cent.; and local authority grants, plus income from endowments, 23.7 per cent. As the aggregate income is more than 200,000*l.* short of the estimated expenditure, Dr. Adami suggests that the prospective deficit should be met by additional grants from local sources. He thinks that the contribution from the city in which the university is situated should be at least one penny in the pound, and that the other authorities, town and county, of the district served by the university should contribute at least one halfpenny in the pound. The only criticism we have to offer upon this is that Dr. Adami is too modest in his demands. There seems to be no sound reason why the whole of the local authorities in the Kingdom, urban and rural, should not contribute a uniform rate of one penny in the pound. The universities are not local, but national. Undoubtedly a penny rate for the whole country would ensure a greater measure of stability, and would go far to solve the problem of university finance.

Regarding the question of salaries, Dr. Adami quotes extensively and effectively from the memorandum prepared by the Interim Committee of the Conference of University Authorities and the Association of University Teachers. The scale of salaries suggested by the committee, and afterwards adopted by the conference, is given, as is also the estimated additional income required to put the scale into immediate operation in England and Wales. A rough estimate places the sum at about 350,000*l.*

On the subject of the superannuation of university teachers Dr. Adami is on firm ground when he says that the matter cannot rest where it is at present. The recent grant of 500,000*l.* from the Treasury (acceptable as it is) for the purpose of augmenting the superannuation allowances of certain of the senior members of the staffs of the universities is not only totally inadequate for its ostensible purpose, but also sub-

jects those university teachers who have seen teaching in schools or technical institutions outside the university to differential treatment of quite an unjustifiable character. At present a schoolmaster of standing cannot accept a position in the university without a loss of pension benefits. This rift between the universities and the schools and technical and training colleges outside the universities cannot be allowed to continue. Anyone who has the best interests of the universities at heart will agree with Dr. Adami that "some method must be discovered whereby years spent in one service are duly recognised in the other for pension purposes." We have on more than one occasion expressed the same opinion in these columns.

One other point. No discussion of university finance where Parliamentary grants are involved would be complete without reference to the relation of the State to the university. There are some who see in the growing financial intimacy between the State and the university a threat to the autonomy of the latter. Whether this opinion is shared by our readers or not, we believe that the freedom of the university is so vital for its efficiency and its highest development that it is the duty of every university teacher to guard jealously this most valuable possession, and we believe they will not fail in this duty. It was natural and fitting, therefore, that the subject should come up for discussion at the Oxford congress, and, considering the issues involved, it is perhaps not a matter for surprise that it gave rise to one of the outstanding incidents of the congress—a brilliant speech by Sir Michael Sadler on the freedom of the university.

The Bible.

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