

No. 468.—With reference to Government Notification No. 457 of the 3rd September, 1920, concerning the preliminary report of the University Commission, the Government is now in a position to announce the intended measures for dealing with the financial situation already published.

The Commission recommends that the Government should assume financial responsibility to an extent sufficient to carry on the work of the University efficiently; and proposes that the Government should contribute not less than \$1,000,000 to the Endowment Fund, as well as largely increasing its present yearly grant of \$20,000. The Commission is of opinion that reorganisation is required to secure the proper management and effective control of the University's affairs; and particularly that, as concerns money matters, a strong Finance Committee should be appointed, consisting of (say) the Colonial Treasurer, the Treasurer of the University, the Chief Manager of the Hongkong and Shanghai Bank, and a representative of the Hongkong General Chamber of Commerce, sitting with the Vice-Chancellor. Such matters, as curriculum must of course be dealt with by the Vice-Chancellor and the academic machinery of the University.

The Government agrees with these recommendations.

Subject accordingly to the approval of the Legislative Council, it has been decided that the Government shall meet the existing indebtedness of about \$500,000 in respect of the bank overdraft, and about \$70,000 in respect of the deficit on Sinking Fund; that it shall provide the proposed sum of \$1,000,000 for the Endowment Fund, instead of the smaller amount of \$250,000 which was before provisionally promised; and that it shall increase its yearly grant: with the intention that the University shall not only be freed from all present debts and have its past endowment restored intact, but shall also be assured of an adequate income for the future. The Government will consequently require a power of final control over expenditure; and, at least during the period of reorganisation, will be compelled to exercise a certain amount of general supervision.

It is the hope and expectation of the Government, in thus guaranteeing the maintenance of the University, that it will encourage contributions from other sources, especially for further expansions now unprovided for. And the Commission points out that one of the most useful ways in which benefactors can help is by the gift of special endowments for professorships; only two of which have hitherto been so supported,—the Taikoo Chair of Engineering and the Ho Tung Chair of Surgery. These endowments are urgently needed to enable the University to fulfil completely the functions which it is its purpose to perform.

No. 469.—The following Remarks by the Oversea Sub-Committee of the Committee of Imperial Defence on the Report on the Hongkong Defence Corps for 1918-19 are, by permission of the Secretary of State for the Colonies, published for general information:

A. G. M. FLETCHER,
Colonial Secretary.

10th September, 1920.

The Colonial Office have referred to the Oversea Defence Committee a despatch, dated the 2nd June, 1919, from the Officer Administering the Government of Hongkong, forwarding the Annual Report on the Hongkong Defence Corps for the year 1918-19, together with a covering letter of the General Officer Commanding the Troops, China Command.

The despatch and extracts from its enclosures are printed as an Appendix to these Remarks.