

Owing to the death of Dean MacKay in the Faculty of Engineering, certain professors were given more responsibility, and I found it necessary to raise salaries in the Department by \$2550, spread over 8 men - not a very large increase. Certain other increases in salaries have been granted and, although these were not asked for by the professors concerned, I hold them to be only fair. I may say here that all Departments have generously co-operated with the administration in having kept down requests for financial assistance to the lowest possible minimum. I do not believe in giving increases in salaries only when asked for, or only in order to retain the services of men offered positions elsewhere. I believe we should reward merit and efficiency to the extent of our ability to do so.

I have found it necessary to recommend the following new appointments:

Dr. J. S. Phillips in Chemical Engineering. Owing to certain economies, this does not make the total appropriation for the Department of Chemistry larger than it was some years ago, but it does provide for instruction in a most important phase of that subject.

I also recommend the appointment of Mr. Gordon Paul as lecturer in Mathematics. This is necessary because Mr. Matthews, the present Registrar who since his appointment continued to give one course in Mathematics, has, on account of his onerous duties, been obliged to relinquish altogether his teaching. Furthermore, Mathematics is a subject of such fundamental importance we believe in keeping the Department strong. It has been strengthened by the addition of Mr. Paul.

Here seems an appropriate place to make reference to savings effected in the Light, Heat and Power and Maintenance Departments. During the last two years the Governors approved certain expenditures for improving the light, heat and power system on the understanding that, as a result thereof, savings would be effected and would be more than sufficient to pay interest on the capital outlay and depreciation on the equipment purchased therewith. These expenditures amounted altogether to \$87,000. It is gratifying to report that, after making every allowance for interest on the money invested and a generous allowance for depreciation, there is an annual reduction in gross operating costs of nearly \$12,000, so that the money invested is returning large dividends in the form of annual savings. This is one item on the bright side of the picture - for there is a bright side, showing in the greater efficiency of all University Departments as compared with ten years ago and in the great expansion and development which has taken place. With this I shall presently deal, but first let me point out that in any consideration of our policy there are several things which are inevitable and of which we must never lose sight.