

On the occasion of the Annual Meeting of the Board of Governors of McGill University, held in the office of the Chancellor on August 3rd, 1931, the Principal and Vice-Chancellor addressed his fellow Governors as follows:

"I desire to make a few comments on the Financial Statement presented.

In any consideration of the financial affairs of McGill University several things must be kept in mind:

- (a) The last campaign for funds took place in 1920, or eleven years ago.
- (b) Despite the fine success of that campaign every dollar of the \$6,200,000. subscribed and paid was earmarked before a dollar was collected, the Board having pledged itself to erect certain buildings, to raise salaries generally and to establish certain new departments.
- (c) So great have been the needs for which the campaign funds could not provide that despite the vigilance of the Finance Committee and although we have a larger enrolment of students and have increased the fees, there have been almost yearly overdrafts or deficits and consequent impairment of capital.

On the occasion of the Annual Meeting last year, the Governors sanctioned a deficit of \$364,000, which in December was revised to \$357,000. As a matter of fact, the actual deficit was not more than \$338,000, so that a saving of \$19,000 more than anticipated was effected. This was only possible by the exercise of the closest supervision and the most rigid economy, and, possibly, at the loss of some efficiency.

In an examination of a budget, one must review the activities of between 150 and 200 different departments, and I assure you that the Bursar, the Comptroller and myself go over these most thoroughly and carefully, and usually in consultation with the head of the main department concerned. If we are to maintain even the present degree of efficiency, I cannot see where the budget can be cut, unless we eliminate some departments, and I shall refer to this matter later. # During the past winter every Department in the University surveyed itself, and as a result, instead of a further pruning of the budget, additional appropriations are found necessary. These surveys were most exhaustive, and they appear to me to have been most intelligently carried out. I have studied them carefully, and after further editing they will be published for the information of all concerned.