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same may be said with respect to the North Canterbury deficit (£747 13s. 2d.), especially when it is considered that this Board receives several thousand pounds in advance every quarter from the School Commissioners. But in the case of Wellington the deficit (£1,536 8s. 9d.) is a serious matter. Two years ago the deficit was £1,628 18s. 9d.; a year ago it was £1,544 18s. 4d. It is, therefore, slowly declining. But it is evident that strenuous efforts are required to put the finances of this district upon a proper footing, and that meanwhile more than £1,500 out of grants made for buildings is being practically applied year after year to avoid the necessity of a large overdraft on the ordinary account.

About three-fourths of the money last distributed to Boards for building purposes is available to them for new works undertaken or to be undertaken this year, but in this respect a great disproportion is noticeable. In the case of Wanganui the grant was not sufficient to cover liabilities incurred, and there is a deficit of £493 11s. 9d. on building account; but the Board has a balance of £2,002 19s. 4d. on its ordinary account. The grant to Hawke's Bay cleared off building liabilities and left a balance of only £95 3s. 9d. for new works; on the ordinary account there is a balance of £961 5s. 3d. At the other extreme of the scale is Wellington, which has £6,232 19s. 1d. available (nearly £2,700 more than the last grant). Marlborough, Westland, South Canterbury, and Southland have also money for building purposes in excess of the last grants made to them. All the other Boards had, to a greater or less extent, incurred liabilities in anticipation of their grants. The sums available for the year to the Boards of the three largest districts (which have charge of about 60 per cent. of the children of all the public schools) is as follows: Auckland, about £3,800; North Canterbury, about £4,000; Otago, about £2,730.

The wants of the several districts with respect to school accommodation are not accurately known to the Department, in the absence of minute information as to the demands in outlying districts for new schools as settlement progresses. It is, however, possible to ascertain from returns made by the Boards the number of existing schools where the floor-space is insufficient. On the whole existing schools have floor-space amounting to 1,270,614 square feet; or, deducting the areas of rented rooms—34,572 square feet—1,236,042 square feet. Allowing 10 square feet for each child—the Otago Board has lately determined to consider 8ft. sufficient—this space, of nearly a million and a quarter square feet, is more than 50 per cent. in excess of the requirements, as estimated by average attendance; but the excess is not evenly distributed. The following list gives the names of the schools that are too full, distinguishing those in which the space is less than 8ft. for each unit of working average:—

District.		Under 10 Square Feet (but not less than 8).	Under 8 Square Feet.	District.	Under 10 Square Feet (but not less than 8).	Under 8 Square Feet.
Auckland	••	Richmond Road. Ponsonby. Nelson Street. Franklin Road. Grafton Road. Newton East. Kauaeranga Boys'.	Newton West. Epsom. Parawai.	Hawke's Bay Marlborough Nelson	Woodville. Renwick. Grovetown. Fairhall. Onamalutu. Kaiuma. Bridge St. Juniors'.	
Taranaki	•••	Frankley Road. Fitzroy. Waiongona. Waipuku. Midhirst.		Grey Westland North Canterbury Otago	Dobson. Westbrook. Woodstock.	Caversham.
Wanganui	••	Mosston. Upper Tutaenui. Bunnythorpe.	Terrace End.		Evansdale. NorthOtago Heads. Albany Street.	Forbury. Macandrew Road.
Wellington	••	Mangaone. Masterton Infants'. Waihakeke. Pitone. Paikakariki.	Mount Cook Infants'.		Arthur Street. Kaikorai. Mornington. Kensington. Mosgiel.	
Hawke's Bay	••	Patutahi. Frazer Town. Wairoa. Mohaka. Port Ahuriri. Napier. Ormondville. Makatoku. Matamau. Danevirke. Maungaatua.	Te Karaka. Makauri.	Southland	Tokomairiro. Kaitangata. Balclutha. Tapanui. Roxburgh. North Forest Hill Invercargill South. Pukerau. Otautau. Wrey's Bush.	Riversdale. Mandeville. Lower Shotover.