E.—1.

The system dealing with this class of children is divided into two sections, "Government schools," which are wholly maintained by funds appropriated by Parliament, and "private schools," which are supported partly by private funds and partly by capitation paid either by the Government, or by Charitable Aid Boards in the case of those children who are admitted by reason of destitution. These latter are Roman Catholic institutions. It is the policy, as far as children under the control of the Government schools are concerned, to avoid congregating them in institutions; and therefore, whenever the age, temperament, and other conditions will allow, all children are placed in foster-homes. This system, which is the best attainable substitute for a child's true home and natural parents, is coming more and more into favour. An evidence of this is to be found in the "Letter to the President of the United States embodying the Conclusions of the Conference on the Care of Dependent Children held by Invitation of the President in Washington" in January of the present year. In this report the principle of boarding out is stated thus:—

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"As to the children who, for sufficient reasons, must be removed from their own homes, or who have no homes, it is desirable that, if normal in mind and body, and not requiring special training, they should be cared for in families whenever practicable. The carefully selected foster-home is for the normal child the best substitute for the natural home. Such homes should be selected by a most careful process of investigation, carried on by skilled agents, through personal investigation, and with due regard to the religious faith of the child. After children are placed in homes, adequate visitation, with careful consideration of the physical, mental, moral, and spiritual training and development of each child, on the part of the responsible home-finding agency, is essential." This "letter," as far as it touches the operations of the New Zealand system, expresses very exactly the principles which guide the Education Department in its administration. It has therefore been thought advisable to reprint it for general information. It will be found in the parliamentary paper E.-4—Special Schools.

The boarding-out system has its limitations, however, and unless these are clearly recognised, and provision made otherwise for young people who need special handling, much harm may be done not only to the children themselves through lack of the expert care and training suited to their needs, but also to those with whom they associate at the ordinary elementary schools or elsewhere. Therefore, the selection of the child, as well as the selection of the foster-home, is a matter of

the utmost importance.

In consequence of an adverse representation made by a society for the promotion of the welfare of children, the Department invited its officers, who are or who have been concerned with the boarding-out of children, to give candid expression to their views as to whether this system is right in principle, and, if so, in what directions its administration can be improved on. Their views, which are printed in E.-4, constitute a weighty argument in favour both of the principle and of its operation.

The private industrial schools, except for infants belonging to one school, have not yet seen their way to adopt the boarding-out system; and, though the Department is convinced that the "institution plan" does not give opportunities for the natural development of children to the same extent as boarding out, yet there is very strong evidence of the tender and efficient care given to the children by the Sisters who administer these schools.

Of the three Government schools which have in residence children who, although not of vicious tendencies, yet need control of a kind that the foster-home does not as a rule afford, two are for girls, and have on the average about 30 in residence, and one, the Boys' Training Farm, has about 160 boys, of whom about 80 of those who

are suitable are provided for in a group of four cottage homes.

At both the girls' and boys' reformatories—Burnham and Te Oranga Home—the classification is being further extended by the erection of buildings specially designed for the training of older inmates, whose characteristics are such as to make it necessary to segregate them completely from those of better disposition. Here these special cases will receive the individual treatment that their abnormal tendencies call for; and it is hoped gradually to evolve methods which, while kindly, and recognising moral infirmities, will go in the direction of making the inmates regard them-