

The total sum underwritten amounted to £32,770,954, representing an increase over the previous year's figures of over £6,500,000; and the total net income for the year exceeded that of the previous year by £25,105.

The accumulated funds at the end of the year totalled £316,057, an increase of over £59,000 for the period.

PRINTING AND STATIONERY DEPARTMENT.

There has been a considerable drop in the prices of paper and stationery within the past few months, and the cost of printing-materials is also a little easier.

New machines have been installed during the year. Of the £10,000 voted last year for machinery, £7,000 has been expended, and commitments made for a further £6,000, so that it is necessary to ask for £8,500 to be again voted under this head.

In the past, though credit has been taken for work done for individual Departments for such publications as the *Gazette*, Statutes, *Kahiti*, Journals and Appendices, Bills, Order Papers, &c., the relative votes have not been debited; but in future the cost of printing-work executed for Departments will be recovered by transfer.

The total value of printing for the year (exclusive of stamps) was £196,838; and the value of the stationery supplied to Departments was £28,415 6s. 4d.

EDUCATION.

The expenditure during the last financial year out of the Consolidated Fund on education, including £102,972 under special Acts and £171,071 from education-reserve and national-endowment revenue, was £2,734,159. To this has to be added expenditure on school buildings, £244,722, out of the Public Works Fund, and £214,571 out of the education-purposes loan, making a total from Government sources of £3,193,452—or, if the expenditure from income from reserves held by the University colleges and the secondary schools, amounting to approximately £75,000, is included, a total of nearly £3,300,000. This expenditure exceeds that for the previous financial year by about £678,000, of which £300,000 represents increases in teachers' salaries, about £264,000 increased payments for new buildings, and £13,500 increased grants to the universities. The total of £3,300,000 is the highest expenditure yet incurred in any year upon education.

The increases provided last year in the salaries of all teachers in public, secondary, and technical schools, and the more liberal provision made for the training of young teachers with the view of attracting a greater number of entrants to the teaching profession, have already had an appreciable effect upon the supply of teachers, and, though in some districts it is still difficult to obtain suitable applicants, the numbers now offering are larger. There are 917 students in the training-colleges as against 500 three years ago. As these trainees complete their course Boards will be able to provide more efficient teachers, and the supply should soon become sufficient to remedy the difficulties experienced in the staffing of the larger schools.

Among other important changes introduced recently is the provision for exchange of teachers with other countries. In order to give our teachers better opportunities of becoming familiar with other education systems arrangements have been made for giving a number of teachers experience in other parts of the Empire, and already several are engaged temporarily in the schools of Canada and Great Britain, while teachers from abroad are similarly employed in New Zealand.

During last financial year the expenditure on new school buildings amounted to nearly £500,000, and was in excess of that of any previous year, and the commitments at the end of the year were also very large. Though in this way much has been done to provide school accommodation, it is recognized that much still remains to be done.

The work of the Department in connection with children committed to the care of the State, and with the feeble-minded, the deaf, and the blind, was further developed during the year by the extension of the probation and boarding-out