

a number of years and has proved of undoubted social value. Institutions, where they still exist, are, too, changing in type and becoming more like schools than places of detention or disciplinary organizations. This does not indicate an inclination on the part of the Department to deal more laxly with young people who sin against society, but indicates that a change of method has been adopted in the reformatory treatment. Such a change is in harmony with the altered methods of control in all our schools—methods that have resulted in deepening the influence of the teacher over his pupils, and in making the schools a more effective social force in the community.

The following important staff changes occurred in the Department during the year: Mr. John Caughley, M.A., Director of Education announced his retirement; Dr. E. Marsden, Assistant Director, resigned, and assumed charge of the newly-established Department of Scientific and Industrial Research; Mr. T. B. Strong, M.A., B.Sc., was appointed Assistant Director, and Mr. W. Bird, M.A., succeeded him as Chief Inspector of Primary Schools. I desire to place on record my appreciation of the services of the late Director in the cause of education in all its branches.

COST OF EDUCATION.

The appendix to this report shows in detail, under various headings, the expenditure on education during the financial year ended 31st March, 1927. The total expenditure, including endowment revenue, amounted to £3,987,416, as against £3,895,034 for the previous year, an increase of £92,382. This increase is a very moderate one when it is considered that it has to provide for the natural increase of the number of children in all classes of schools, and that during the year the Department had to provide for large payments of a non-recurring nature on the site for the new Agricultural College at Palmerston North, and for the new Medical School in Dunedin.

Much is written about the large expenditure on education in this country. Comparisons are made between the cost now and the cost before the war, and the question is frequently asked whether an expenditure of four millions per annum is justified when the pre-war expenditure was only one and a half millions. It must be remembered, however, that, owing to the depreciation in the real value of the pound, the present expenditure of nearly four millions is equivalent to only two and a half millions in 1914. Further, the number of pupils in our schools has increased from 208,693 in 1914 to 264,601 in 1926, and if the increased numbers are taken into account the increased cost would have been from one and a half to two millions. Again, in every enlightened country there have been many developments in the past twelve years, and the provision of facilities for education has been greatly improved, particularly in the direction of post-primary and higher education. New Zealand cannot afford to fall behind other countries, and has had to keep pace in these and other respects. Consequently, in the period referred to, the number of pupils attending secondary and other high schools has increased from 10,428 to 23,210, and the number of University students has risen from 2,310 to 4,653. It has been necessary at the same time to increase the expenditure on students' fees and allowances at training colleges from £25,246 to £123,250, on educational buildings from £122,940 to £550,954, and on superannuation for teachers from £17,000 to £71,428.

It is difficult to make a reliable comparison between the cost of education in New Zealand and in other countries, because the systems vary. In New Zealand almost the whole cost comes from the Consolidated Fund, whereas in most other countries a large proportion comes from local rates, endowments, private and other sources. The meaning of expenditure on education varies also. Some countries include only expenditure on schools, while others include libraries, medical and social services for children, university education, and industrial education. In some countries, again, such as Canada, Australia, and the United States, the system of education varies from State to State, education being very liberally provided for in some parts while the schools are starved in others. These essential differences make the figures supplied in statistics somewhat untrustworthy.