support to any measure providing the assistance desired. It may be inferred that the combined action of the several institutions impressed the Government with the necessity there was for the introduction of a more liberal and comprehensive measure than that of 1895, and the Premier's new Technical Education Bill certainly was a distinct improvement upon the original Act. Probably the only cause for dissatisfaction was the small increase in the present rate of capitation (1s. 3d.), the proposed rate being 1s. 9d. The capitation earned this year at the 1s. 3d. rate was £58 0s. 2d., and at 1s. 9d. it would be £81 4s. 2d., or an increase of £23 4s. only. The Council trusts that the measure to be introduced this year will raise the capitation-rate to 3s. 9d., which would give the school £174 Os. 6d. instead of £58 Os. 2d., an increase by no means excessive. The Bill that was submitted to Parliament last session was, as stated above, a great advance on all previous measures relating to technical education in this colony, and it is deeply to be deplored that the benefits it proposed to confer on the young working-classes of New Zealand failed to be realised. The measure was announced as one of the leading Bills of the session in the Governor's Speech in opening Parliament on the 23rd September, and was more fully alluded to in the Financial Statement, which announced that in order that the industrial classes might be specially benefited, and fitted to undertake scientific, mechanical, and mining pursuits, it was of national importance that technical education should be placed upon a more satisfactory footing, and that the drawback to the present system was the lack of funds and of suitable buildings. The measure submitted to Parliament proposed to bring technical education into connection with Boards of Education, to increase capitation allowance, to establish continuation schools as an auxiliary to the technical-school system, and to contribute pound for pound to meet subscriptions, and 10s for every pound bequeathed by persons interested in the cause, whilst a sum of £25,000 was to be provided for buildings and furnishing technical schools with apparatus and requisite appliances. But all these advantages, which seemed to be universally approved, and which were so urgently required, have been wrecked in the conflict of politics, and this association is in no better, but rather in a worse, position to carry on technical education in the Auckland District this year than it was last year. In ordinary affairs the managers of a public institution might be inclined to despair and proceed to close the school, but your Council think that, notwithstanding that the Technical Education Bill failed to become law last session parliamentary relief is near at hand, and that in the early failed to become law last session, parliamentary relief is near at hand, and that in the early days of next session a Bill will be passed making suitable and permanent provision for a thorough system of technical education throughout the colony. The Council consider that the circumstances of the association are such as to compel it to revert, for a time, more largely than of late to the system of public subscription for assisting in keeping up the Auckland Technical School, and they believe that the public, becoming aware of the very limited means at the disposal of the association, will respond to an appeal for funds to enable it to tide over the difficulty that has arisen from Parliament having failed to give any additional aid to technical education in its last session. The proposal of the Government to contribute from the public funds an equal amount to sums raised by subscriptions will be an incentive to those who take an interest in technical education to subscribe as liberally as they can in order to get the benefit of those subsidies, and to keep this important branch of education alive, until it shall be taken over by the Board of Education as part and parcel of the general educational system of the district.

In order to afford some idea of the necessities of the association, and the diminished amounts received under the Government subsidy-upon-subscription system, and the capitation-upon-an-average-attendance system, afterwards substituted, the following statement has been prepared: 1895—Public subscriptions, £179; Government subsidy upon subscription, £179; Government special grant, £100: total, £458. 1896—Government capitation upon average attendance, £78 16s. 11d.; Government special grant, £100: total, £178 16s. 11d. Public subscriptions, £14 18s. 6d. 1897—Government capitation, £58 0s. 2d.; Government special grant, £100: total, £158 0s. 2d. Public subscriptions, £20.

The Council is indebted to Mr. Edward Withy, of Parnell, for a handsome donation of a model steam-engine and saw-mill plant mounted on a cabinet and covered with glass case; also for a paper on the "Stability of Floating Bodies," accompanied by wooden models for illustrating same. The former will be found very useful and interesting to students in the mechanical class, and the latter to marine engineers, should a class be formed for dealing with marine architecture.

For the Council,
G. MAURICE O'RORKE, President.

STATEMENT of RECEIPTS and EXPENDITURE for the Year 1897.

		Receipts.			£	8.	d.	Expenditure.					£	s.	à.
Balance brough	t forward				20	15	6	Office expenses	•				60	Ō	0
Cash sales					25	1	7	Instructors' salaries					195	5	0
Fixed deposit withdrawn					200	0	0	General expenses					67	0	11
Interest on same					8	0	0	Advertising, printing,	&c.				22	18	3
Subscriptions					20	0	0						41	10	5
Fees					191	10	0	Rents, rates, taxes					92	2	6
Special grant					100	0	0	Cash at bank and in h	and				155	2	2
Capitation				• •	59	15	2								
Treasurer Taranaki Fund					5	0	0								
Discounts					3	17	0								
							— I								
					£633	19	3					ě	E633	19	3