

It is not the intention of the Government to stop here, but to go on until the way is open for any boy or girl of promise in New Zealand to receive the highest education which the colony has in its power to give. With this end in view the Government has determined to provide house allowance for one year for two pupils in the Fifth Standard in each educational district—twenty-six in all—who are specially gifted, and have received the highest number of marks, but who are from outside causes unable to continue their school course; and to establish twenty-four “National Scholarships,” the object of which will be to enable the holders to go from the primary schools to the secondary schools and thence to the university, full provision being made for the cost of tuition and for their maintenance.

One important need of the educational system cannot be overlooked—namely, that in order to obtain the greatest possible value for the large amount of money spent in education it will be necessary in the near future to make more complete provision for the thorough training of our teachers.

The programme which I have sketched out may seem ambitious—it will certainly entail a large increase of expenditure; but it must not be forgotten that an educated democracy is the safest and freest, because in it all have an equal chance; and it is, too, the highest form of democracy, inasmuch as its individual members best know how to use their liberty intelligently. Therefore I do not for a moment believe that either the country or this Committee will begrudge the large sums of money which are spent from year to year in carrying out this most important function of the State.

#### FARMING INDUSTRIES.

There is a considerable increase in the quantity of wool exported, and the prices realised are an improvement on those for the previous year. Tallow and sheepskins also show satisfactory advances, both in quantity and total value.

The export of frozen meat exhibits a large increase in quantity, the figures being 2,454,000 cwt. for the year 1902–3, as against 1,871,000 cwt. for the year 1901–2. The total value of this export has also grown from £2,232,000 in 1901–2 to £3,229,000 in 1902–3.

The quantity and total value of the cheese sent out of the colony shows a decrease, but this is far more than counterbalanced by the great increase in both quantity and total value of the butter exported. At the beginning of the season the London prices of butter were equal to those of the previous year, but, unfortunately, as the season advanced a considerable fall in the prices of all butters on the market was experienced. On the other hand, the price of our cheese has continued very high.

The area under grain, especially oats and wheat, was larger than last season, and, although the crops ripened later than usual, the yield per acre was the most abundant for some years. As the prices of grain continue high, farmers have every reason to regard the harvest as a very satisfactory one.

The quantity and total value of hemp exported show satisfactory growth, and the prices have remained at a high figure. The large recent development of this industry is undoubtedly due in some measure to the institution of Government grading.

The fruit and poultry industries are making rapid strides, and the time is not far distant when the export of these commodities will assume important dimensions.

Good progress has been made with the preparation of the experimental farms for the purpose for which they are intended.

The cultivation of vines at Waerenga has again given excellent results, and the viticultural expert engaged by the Government last year predicts a great future for the wine industry in New Zealand.

Public abattoirs have been established at several more of the larger towns, and the improvement thereby effected in the meat-supply is undoubted.

The outbreak of anthrax has given grave cause for anxiety, and every effort is being made to stamp out this fell disease. There can be no doubt whatever as to the source of the trouble, which undoubtedly came with some bonedust from India. The only safe precaution is for the Government to erect sterilising-