

purpose of the maintenance grants, for which they are voted by Parliament and distributed by the Department, is not less than £41,000; probably £50,000 would be nearer the real amount.

The actual balance remaining (£38,000) may be sufficient to provide the cost of rebuilding the schools that require to be replaced in the next two or three years, but not to provide the proportion that should now be in hand of the cost of replacing those falling due at a later date.

It is clear that the Government cannot reasonably be asked to pay a second time moneys already given for rebuilding.

There appears to be only one way in which the Boards concerned can set the matter right—namely, by using the balances in hand on the General Account, which by paragraph (b) of section 52 of “The Education Act, 1908,” may be used, *inter alia*, “for the expense . . . of erecting, fitting up, and improving school buildings.”

It would be only fair to state here that these remarks do not apply equally to all the Boards—in fact, in the case of one or two Boards they do not apply at all.

EDUCATION RESERVES.

Tables G1, 1A, 1B, in the appendix to E.-2 give a summary of the accounts of the School Commissioners, which are also given in full in the same appendix. These accounts may be presented in outline as follows:—

TABLE G.

(a.) *Income and Expenditure of School Commissioners, 1908.*

<i>Income.</i>			£	<i>Expenditure.</i>			£
Balances, 1st January, 1908	..	..	12,599	Payments during year	..	..	65,990
Receipts during year	..	..	68,404	Balances at 31st December, 1908	..	..	15,013
Total	..	..	£81,003				£81,003

(b.) *Assets and Liabilities of School Commissioners.*

<i>Liabilities.</i>			£	<i>Assets.</i>			£
Amounts owing	..	..	7,829	Amounts due	..	..	7,515
Balance	..	..	60,692	Balances at bank on mortgage, &c.	..	..	61,006
			£68,521				£68,521
				Balance brought down			£60,692

The payments made to Education Boards for primary education out of proceeds from Education reserves in 1908 amounted to £52,616 9s. 6d., as compared with £47,385 4s. 8d. for the previous year. The revenues of the Boards are not, however, increased thereby, as equal amounts are deducted from the grants otherwise payable by the Government.

Table H8 in E.-6 shows the payments for secondary education from reserves under the control of the School Commissioners, which amounted in 1908 to £4,154 4s. 3d., as compared with £4,353 13s. 7d. in 1907. This money is distributed by the Commissioners to the governing bodies of secondary schools in the provincial districts in proportion to the number of pupils in average attendance at these secondary schools, exclusive of those in any lower department.

Table G2 in E.-2 shows the total income from Education reserves for the several districts for the ten years 1899–1908, and the cost of administration for the same period. Summarised this appears as below:—

Total income for the ten years 1899–1908	..	..	..	£585,644
Cost of administration during the same period, 1899–1908	..	..	..	£38,023
Cost of administration per cent. of income	..	..	..	6.49

The cost of administration shows a slight decrease as compared with previous years, but is still very high in one or two districts.

NATIVE SCHOOLS.

The number of Native village schools in operation at the end of 1907 was ninety-nine. During the year 1908 seven were opened, five were transferred to the control of the Education Boards of their respective districts, and four were closed, thus