While it is pleasing to note from the Inspectors' report an advance in the percentage of fifty-six pupils who succeeded in gaining proficiency certificates at the close of the year, the Board feels impelled to express its conviction that the present system of drawing pupils to centres for examination has operated detrimentally in the case of those attending country schools. The Board has received a sheaf of protests from School Committees against the system, on the ground that it not only places children at a disadvantage by being forced into strange surroundings and examined under disconcerting conditions, but that it entails inconvenience on the children and expense upon the parents. The Board is satisfied, as the result of experience, that the change has prejudiced the country children, and that any problematical advantage derived from synchronizing examinations of Standard VI has been more than negatived by the positive disabilities entailed upon the country children, and more especially those who reside in remote localities unaccustomed to competitive examinations in which numbers are engaged, and who naturally fail to do themselves justice in the strange conditions. The Board urges that the subject should receive reconsideration with a view to the adoption of a method that would remove the present causes of dissatisfaction.

The off-repeated reference of the Board's Inspectors to the inefficient classification of pupils by teachers has given the Board some concern and occasion for thought. After carefully noting the results of the long trial of the present system of examination and classification of pupils by teachers the Board is satisfied that in the case of the smaller schools experience has failed to justify the departure from the former method of classification on the basis of the inspectorial examinations. On the contrary, there is abundant reason for concluding that the system has been productive of effects highly detrimental to the best interests of education. While there are doubtless many teachers who may be implicitly intrusted with the important work of classification, it must be frankly recognized that in charge of a great number of schools are young and inexperienced teachers who cannot reasonably be expected to exercise such a sound judgment in a matter of supreme importance as can spring only from natural experience. Moreover, under the present method teachers are subjected to a pressure from parents to promote pupils that has had and must continue to exert a detrimental influence in the character and quality of education. The Board respectfully urges the subject upon the consideration of the Hon, the Minister of Education, in the hope that such a method of classification may be formulated as will remove the existing causes of dissatisfaction.

Truancy.—There were 1,098 notices posted to parents and guardians for infringements of the Education Act, 1908 (section 153); twenty-six notices were served on parents whose children were not attending any school (under section 152); 147 cases of irregular attendance were investigated; sixty-seven penalty summonses were issued under section 153. Under the above sixty-seven summonses sixty-five convictions were obtained, two cases being withdrawn by production of doctor's certificate. The total amount of fines for the year was £16 10s. 6d. It will be noticed from the above that there is a decided improvement in the number of cases where extreme measures had to be taken to compel parents to send their children to school regularly, sixty-seven summonses being issued during the year, as against 129 for the previous year. In reference to the transfer of children from one school to another, it would greatly facilitate the work of the Truant Officer, and lead to more regular attendance, if head teachers used the transfer form more freely when pupils are removing from one school to another. These forms should be dated, and when given to the pupils they should be informed that they must present themselves as soon as possible at the school named in the certificate. Usually there is great delay and unnecessary loss of time on the part of pupils on their leaving one school before they enter another school.

Technical Instruction.—Shortly after the beginning of the year Mr. D. C. Hutton, who for nearly thirty-nine years filled the important position of Principal of the Dunedin School of Art, found it necessary to retire owing to impaired health. Mr. Hutton was engaged in Britain in 1870 by the Provincial Government of Otago to organize and conduct the Dunedin School of Art, which, it may here be noted, was the first public institution of its kind in the Dominion. Mr. Hutton came to Dunedin with very high credentials as an art master, and the success of the school under his management is signal proof that, considering the necessities of the community so far as art in relation to crafts is concerned, no more suitable appointment could have been made. The school has had an honourable and in some respects a distinguished history. Than Mr. Hutton the Board has had no one who has served it with more enthusiasm, ability, and conscientiousness. The Board believes that under the new Director, Mr. R. Hawcridge, a man of acknowledged attainment, whose artistic gifts are well known in the Dominion, the school has entered upon a new career of usefulness.

The following is a summary of the receipts and expenditure in connection with the special and school classes for manual and technical instruction for the year 1908: Expenditure: Maintenance (salaries, material, &c.), £2,471 0s. 4d.; fittings and apparatus, £1,543 18s.: total, £4,014 18s. 4d. Receipts: From Government—Capitation, £1,995 10s. 3d.; special grant for training of teachers, £300; buildings, fittings, and apparatus, £1,044 12s.; fees, £246 17s.: total, £3,316 19s. 3d. Dr. balance for year, £697 19s. Id.

Finance.—A statement of the Board's income and expenditure for the year is given below. The following statement shows the sum expended under the various headings during the past three years: Teachers' salaries, including lodging-allowances—1907, £64,598 4s. 4d.; 1908, £66,158 16s. 6d.; 1909, £72,619 5s. 1d. Payment to School Committees for incidental expenses—1907, £5,755 0s. 9d.; 1908, £5,798 9s. 9d.; 1909, £5,947 10s. 9d. Erection, enlargement, and improvement of school buildings, purchase of sites, house allowances, manual and technical buildings and apparatus—1907, £14,241 14s. 11d.; 1908, £22,252 10s. 1d.; 1909, £23,607 8s.

The receipts for school buildings include grant for maintenance, £540 fs. 7d.; special grants for new buildings, £6,930 fs. 10d.; house allowances to teachers, £691 fs. 2d.; local contributions, £184 fs.; special grants for technical school buildings, and furniture, fittings, &c., for same, £2,431 fs. 6d.: total, £10,778 fs. 1d. The main items of expenditure on buildings were: General maintenance (repairs, alterations, and small additions), £9,662 fs. 9d.; rebuilding, £2,456 ffs. 11d.; new buildings, £7,900 fs. 8d.; house allowances, £710 fs. 2d.; manual and technical purposes, £2,849 fs. 6d.

The Hon. the Minister of Education, Wellington.