1.—EXTRACT FROM THE TWENTY-SEVENTH ANNUAL REPORT OF THE MINISTER OF EDUCATION.

The Secondary Schools Act of last session and the regulations under it carry forward the policy which was begun by the grants made in the previous

year for free places in secondary schools.

All holders of Education Board Scholarships and of National or Queen's Scholarships, all who gain certificates of proficiency within the prescribed limits of age or who show proficiency in the National Scholarship examination, are eligible for free places, as are also a certain number of pupils who satisfy conditions drawn up by the secondary schools themselves, and approved by the Minister of Education. The free places are tenable for two years, at the end of which time they may be extended if the holders pass the Civil Service Junior or other approved examination.

All the secondary schools named in the schedule to the Act except four have elected to come under section 5—that is, to admit to free places all pupils qualified as above. The four schools that have not so far decided to adopt this course are meanwhile required by section 4 of the Act to give scholarships or free places to the total value of one-fifth of their net income derived from endow-

ments.

One high school (that at Palmerston North) has already been established under section 6 of the Act to take the place of the district high school formerly

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m existing.}^*$

The grants payable under the Act vary from £4 to £10 15s. for each free place, according as the net income from endowments is large or small. The grants under the regulations previously in force were £6 for each free place. The increase of the grants to schools with poor endowments will enable such schools

to admit qualified free pupils without fear of financial difficulties.

One effect of the granting of free places, as was pointed out last year, will be to enable Boards of Education to use their scholarship funds very largely for the maintenance of scholars from country schools who have to board away from home in order to obtain secondary education. The number of these "country scholarships" has still further been increased by the National Scholarships Act, and a very small further increase of such scholarships is probably required to give promising country boys or girls an absolutely equal chance of secondary education with those in towns. Indeed, how far such further provision may be required, if at all, cannot be ascertained until the Boards have adjusted their scholarship regulations to the new conditions.

The number of secondary schools giving free tuition to all qualified pupils at the end of the first term of 1904 was twenty, and the number of pupils holding free places was 1,605. There were besides about 209 holders of scholarships and exhibitions given by Boards of Education, or by the four secondary schools not coming under the conditions. Further, there were 1,709 pupils receiving secondary education in the secondary classes of the district high schools, which numbered forty-nine. On the whole, therefore, the education system of the colony as lately developed affords at the present time secondary education for some 3,523 children from the primary schools. At the end of the year 1901 the

number was about 963.

If it should eventually appear that the concessions err on the side of liberality the conditions for the obtaining of a free place may be made somewhat more stringent; for instance, by admitting only those who qualify at the National Scholarship or other special examination. In any case the ladder from the infant school to the door of the university is now fairly complete. The sufficiency of the University Junior Scholarships and other scholarships to carry on all clever youths who merit higher education is a question that time only will afford the means of determining.

It will be seen from Table L1 that the number of qualified pupils attending the district high schools of the colony at the 31st December, 1903 (2,024), was

^{*} The scheme for the control of the high school is given as an appendix to this report.