

But from the Combined Buildings Account it will be seen that the actual net balance is only £33,692. As the cost of building new schools and residences, and of additions to schools and residences already existing, should have been met by special grants already paid for that purpose, it is obvious that this balance of £33,692 represents the total amount available for the purposes of maintenance and rebuilding. Apparently, then, the Boards have diverted to other purposes over £56,000 voted by Parliament and distributed by the Government for the purpose of buildings maintenance grants. As pointed out in last year's report, the Boards have been informed that in accordance with the recommendation of the Education Committee sums amounting in the aggregate to not more than 7 per cent. of the buildings maintenance grants might be spent on "additions and alterations," but the circular conveying that information further stated in clear terms the condition under which any part of the grants could be used for additions and alterations—namely, only after due provision had been made by the Boards for maintenance and rebuilding. During the six years 1905–10 the total maintenance grants have amounted to £333,866, and if, even on the most liberal interpretation, the Boards had expended 7 per cent. of this amount on "additions and alterations" the sum so expended would have amounted to only £23,370. It would appear then that, since the issue of the circular in 1905 referred to above, the Boards have diverted at least some £33,000 from the purpose for which it was originally granted. It is pleasing to note that this amount has been reduced in one year by £15,000, as there can be no room for doubt that in the next few years the Boards will have to expend a very large sum on the replacement of worn-out and dilapidated schools. As already pointed out, some relief might be obtained by transferring to the Maintenance Account part of the credit balances in hand on the General Administration Account, as provided by paragraph (b) of section 52 of the Education Act, 1908.

The above calculations have been made on the total of the buildings accounts of all Boards taken together. It must not be inferred by any means that these remarks refer to any Board in particular.

Considerable difficulty has been experienced in the endeavour to present a clear view of the state of the Boards' finances, due in great measure to the fact that in their statements of receipts and expenditure several Boards have grouped under a single heading a number of accounts which ought to have been shown separately. It is hoped that in the future Boards will arrange that the respective accounts shall be clearly set out.

CHATHAM ISLANDS.

During the year 1910 there were four schools in operation in the Chatham Islands—viz., those at Te One, Te Roto, and Matarakau, on the main island, and a school on Pitt Island.

The total number of children on the rolls of these schools was 93, an increase of 1 on that of the previous year, the average attendance for the year being 81.

The annual visit to the schools took place in December, and the report of the Inspector shows that the schools are doing satisfactory work. Some ten years ago the system obtaining in the Chatham Island schools was reorganized so as to place them on the same basis as the public schools in New Zealand. It is interesting to note that since the reorganization several of the ex-pupils have been very successful in the outside world. Two have almost completed the course for the teachers' D certificate; of those who gained the Chatham Island Scholarship one is completing his university course in arts and another in medicine; another youth, also a scholarship-holder, took a high place in the Civil Service Junior Examination, and is now in the Government service; another is studying at Lincoln College; while yet another holds a good position in a remote part of the Empire. This record is very encouraging to the Department, and bears direct testimony to the ability of the young people of the Islands and to the success of the present scheme.

The total expenditure in the schools for the year 1910 was £868 6s. 9d., made up as follows: Salaries and allowance, £635; scholarships, £40; inspection, £17 17s. 2d.; buildings (additions and repairs, &c.), £165 18s. 1d.; other expenses, £9 11s. 6d.; total, £868 6s. 9d.