The number of departmental secondary and combined schools remains at forty-four. On the 1st March their aggregate roll was 17,786, as compared with 17,225 in 1933, and 17,601 in 1932. The increase apparently points to a waning in intensity of the financial depression, a view that is borne out by a comparison of the roll numbers at the close of the year. The roll in December, 1934 (15,406), whilst still just below that of 1932 and 470 less than that of 1931, was nevertheless nearly two hundred above the 1933 level. Improvement also is evident in the greatly enhanced number of pupils who began their secondary schooling; these numbered 5,950 in 1934, as compared with the meagre 5,229 of 1932. No doubt part of this increased enrolment of entrants is due to the abnormally high birth-rate of 1920, but some of it is the result of the lightening or the burden of financial stringency and of the return of a more hopeful outlook.

Staffing problems have not been quite so acute in the past year, as fewer schools were compelled to dismiss teachers on account of falls in grade. Many of the school hostels continue to find difficulty in carrying on; the aggregate roll of boarders rose, it is true, from 859 to 964 during the year, but

this total is still 43 per cent. below the numbers in residence in 1930.

The number of registered private secondary schools has decreased by one, and now stands at fifty-two. Their aggregate roll on the 1st July was 3,835 (1,703 boys and 2,132 girls).

Five appeals were lodged by teachers against their classification, but three of these were subsequently withdrawn. The remaining two were heard in Auckland; one appeal was successful and the other was not allowed.

FREE PLACES AND LEAVING CERTIFICATES.

The number of senior free places granted to pupils from departmental secondary and combined schools on the Principals' and the Inspectors' recommendations was 3,602, as against 3,171 in the preceding year. Some 406 of the candidates who failed to obtain free places by accrediting sat the Intermediate Examination in November; only fifty-one of these—i.e., $12\frac{1}{2}$ per cent.—succeeded in obtaining their senior free places by passing the examination.

The cessation in 1932 of the right to enter upon a University bursary upon the securing of a higher leaving certificate continues to have its effect in reducing the number of applicants for the certificate. Only 705 were awarded in 1934 to pupils from departmental secondary and combined schools, as against 978 in 1931. An additional 128 were also awarded to pupils from endowed and registered private schools. Lower leaving certificates have continued to offer some attraction to pupils in district high and private schools; as many as eighty-one were awarded in 1934, an unusually large number. None of these pupils came from the regular secondary schools. It may be noted in passing that this particular certificate has now ceased to be granted, its place having been taken by the recently introduced School Certificate. The lower leaving certificate has at no time been much sought after by secondary-school pupils; practically every possible applicant had already obtained a more valuable qualification by passing the University Entrance Examination and consequently had no incentive to apply for it. The title "lower" has also detracted from its popularity.

SCHOOL CERTIFICATES.

At long last a school leaving certificate has been instituted, and the first examination for it, held in conjunction with the University Entrance Examination, was held in December. Full details regarding the scope and nature of the examination and of the preliminary courses to be followed by the candidates were given in my last report, and there is no need to repeat them here.

As was to be expected, the number of candidates who sat the Certificate Examination without at the same time attempting the University Entrance Examination was very small in the initial year of the system; as a matter of fact, there were only 212 such candidates, as against the 3,985 who sat for both examinations simultaneously. There were very few pupils in the Fifth Forms who had followed for three years an examination course other than that leading to University Entrance, simply for the reason that previously there had been no other examination open to them. It was a natural consequence, therefore, that the establishment of an alternative examination during the course of the year would find very few pupils ready to make use of the opportunity presented. Most of the few candidates who did attempt the Certificate Examination alone did so in the misguided belief that this examination would be easier to pass than the University Entrance. This view is confirmed by the fact that only 11 per cent. of these candidates succeeded in obtaining a full pass, as against 44 per cent. of the total number of candidates.

It is confidently expected that in a little while the number of candidates sitting for a certificate only will increase considerably. Courses suitable for such candidates, and not leading to the University Entrance, have already been organized in some schools, and in a year or so pupils now entering these will be ready to compete successfully for the certificate.

The total number of candidates for the certificate was 4,197; of these, 1,876 obtained a complete pass and 883 a partial pass. Of the subjects not prescribed for University Entrance by far the most popular was book-keeping, which was offered by 104 candidates, 28 offered shorthand and typing, 24 needlework, and 30 housecraft. Only two candidates sat in biology, and only one in applied mechanics; there were no candidates at all in heat engines.

Although the Department has at all times stressed the fact that the Certificate Examination was to be of the same standard as that for the University Entrance, a somewhat surprisingly large number of protests have been received from disappointed candidates and from parents and teachers that an unduly high standard had been demanded, and that the examination had been "harder to pass than