H.—2. 48

Having so far provided for the boys, the Board has in view the necessity of establishing a girls' district high school, and purpose erecting a suitable building as soon as a site can be procured. Negotiations are on foot with the Borough Council and Government with a view of obtaining three acres of what is known as the Queen's Gardens for this desirable object, and when a legal title is obtained no time will be lost in commencing the work. It will further be the Board's duty to ascertain whether other centres of population cannot be supplied with the means of obtaining a more liberal education. Patea, Feilding, Foxton, Marton, &c., are making rapid strides, and it is not unlikely that some of these places will lay claim to the advantages contemplated by the Act.

Scholarships.—From the Government grant for that purpose, the Board established seven scholarships, of the annual value of £20 each, in accordance with the regulations already forwarded to the Department of Education. Four of these were tenable for one year, and three for two years. A

competitive examination will be held in January.

Examination of Teachers.—An examination of candidates for third-class certificates, and of pupil-teachers for classification, was held in the Wanganui Grammar School on the 13th September,

and the report of the examiners will be found in the Appendix.

STANDARDS.—When the Board took office, upon the recommendation of their Inspector they adopted the six standards of the Wellington Board. These have since been superseded by the Order in Council of 24th September, to which the Board will direct the Inspector to give effect. In so doing, they will also direct him to define the relative values of the old and the new standards, and to instruct the teachers accordingly, to the intent that confusion may be avoided on the one hand and disappointment and loss of marks on the other. A list of the different subjects taught will be found attached to

the Inspector's report.

TEACHERS.—The Board has 71 teachers in its employ. Of these, 37 are male, and 34 female.

Great difficulty has been experienced in filling up vacancies in the small schools; the scale of payment being based upon average attendance, the salaries at these schools are necessarily small, and although the Board has endeavoured to induce the Committees to supplement them, such a system appears to be precarious, and not by any means universally approved of. It is manifest that the Board cannot pay teachers more than it receives from the Government, and, although it has endeavoured to mitigate the evil by a carefully graduated scale of salaries, which gives teachers of small schools a greater capitation than those with a larger attendance, the salaries of the former are still very poor, and totally inadequate for the purpose.

RULES AND REGULATIONS.—The Board established a set of rules and regulations for the guidance of teachers and Committees. These will be revised where necessary, so as to bring them into harmony with the various Orders in Council. The standards will now of course be obsolete.

REES BEQUEST.*—The late Dr. Rees having bequeathed a sum of money to this Board, the amount, within a small sum, has been invested in mortgages on freehold securities, and the proceeds of these investments will be devoted towards paying the salary of the headmaster of the District High

THE EDUCATION ACT.—The Board has endeavoured to carry out the spirit of the Act (which may be said to be on its trial) to the best advantage. When it is considered that this is the only new Board which has been constituted in the North Island, that it is working under a new Act, and with a large number of small schools to provide for, it may fairly claim that its efforts should be regarded as of a tentative nature, rather than the result of experience, of which other Boards have had the

advantage.

Although the Board recognizes the object contemplated by the Act in a uniform capitation allowance for the colony, experience proves that the results obtained do not by any means equal the anticipated expectations. The rate of £3 15s. may, as a whole, be sufficient, but this Board is of opinion that an amendment in the Act substituting two rates would be desirable. The Board would therefore suggest one rate for towns with comparatively large populations, and another for less favoured It is only by some such equitable distribution of the grant that Boards like this can continue to afford the means of education by small schools in outlying districts.

It has been found that the duties of the Committees and the Board are not well defined. The powers are divided and indefinite, especially as regards their relations to teachers; and in this respect the Act does not work altogether smoothly. A spirit of emulation seems to pervade the actions of the Committees in the execution of their duties, and there is evidently an increasing desire to advance the cause of education. The Board is, however, of opinion that, if the Act were clearer and more explicit with reference to the respective duties of the two bodies, it would be advantageous to both, and they

would beg especially to bring this matter under your notice.

Finance.—In Table No. 3, part 1, you will find the general receipts and expenditure under the heading of Maintenance; and part 2 shows the state of the School Building Account. It will be seen that the General Account is overdrawn to the extent of £582 19s. 5d., whilst there is a sum of £366 17s. In the administration of its affairs, the unexpended from the first grant for school buildings. Board has observed every possible economy, and the overdraft referred to is quite unavoidable. The Board would therefore here point out some of the reasons which have necessitated it. In the first place it has a large number of schools scattered over an extensive district, and many of these, instead of leaving a surplus of revenue to meet contingent expenses, are on the contrary a great tax upon the Board's resources. Again, extraordinary and unavoidable expenses consequent upon the formation of a new Board have been incurred, and some debts left by the old Wellington Board have been paid, and for such contingencies no funds have been provided. Further, when the Board came into office it found a scale of teachers' salaries in excess of its income. Some little time was unavoidably lost before the Board got into working order, and a new scale could be adjusted. After this was accomplished it was considered necessary to give teachers three months' notice of the proposed change before it could be brought into operation. It will thus be seen that, whilst the capitation grant may be ample for the