

The rapid growth of settlement renders it evident that a large expenditure will annually be required to provide in any satisfactory manner for the wants of the increasing population. The total expenditure on buildings during the year amounted to £20,774 5s. 3d., of which £1,439 3s. 6d. was spent during the first four months in the southern part of the district now forming South Canterbury. A detailed statement of the expenditure, showing the exact amount spent in each school district, is given in Table No. 1.

**GRANTS TO SCHOOL COMMITTEES.**—The system of allowances to School Committees in force during the latter half of the year has involved the Board in considerable difficulty. The sum granted is, in the aggregate, not sufficient for the Committees' requirements. The total amount received from the Government under this head for the six months ended 31st December, 1878, was £2,365 12s. 6d., or at the rate of £4,731 5s. for the year. But the expenditure during the year amounted to £6,741 18s. 6d. Deducting £800 for insurance—a practice which the insufficiency of funds under the new arrangement has obliged the Board to discontinue—and £400 paid during the first four months of the year to Committees of districts south of the Rangitata, now under the Board of South Canterbury, there still remains an expenditure of £5,541 18s. 6d., as against an allowance of £4,731 5s. For this year the Board was able to supply the deficiency, as, in addition of the grant of £3 15s. per head of the average attendance, it received £1,171 as arrears of rates levied under the Provincial Ordinance of 1875. But this source of income was of an entirely incidental character, and cannot recur. In another year the Board will have no resource beyond the statutory allowance of £3 15s., which is absorbed by the cost of the maintenance and inspection of schools, and other general expenses, leaving no margin available for supplementing the grants to Committees. In another respect, too, the difficulty will be much increased. For the allowance made by the Government is at the rate of 10s. per annum per head of the total average attendance throughout the district; but in the distribution the smaller schools are necessarily paid in a higher proportion to their attendance than the larger ones, the scale ranging from 7s. 4d. per head to upwards of 20s. During the year 1879 at least twelve new schools will be opened, probably more. In the majority of these, the attendance may be expected to be for some time comparatively small. Each of them will therefore represent a considerable extra charge upon the Board, which will be required to pay their Committees at the rate of 15s. or 16s. per head of the attendance, while receiving from the Government on account of them at the rate of only 10s. Several Committees have made urgent representations of their inability to meet their necessary current expenses under the present system of distribution. The Board therefore trusts that the Government will place it in such a position as will enable it to make provision for the reasonable requirements of all the schools under its charge.

**EXPENDITURE.**—The total expenditure during the year 1878 on the maintenance of schools, exclusive of office expenses, inspection, and drill instruction, was £33,850 18s. 6d., of which £1,931 18s. 6d. was spent in South Canterbury. The expenditure in the North Canterbury District was £31,919. The following table shows the amount expended in North and South Canterbury respectively in salaries and incidental expenses:—

| Periods.  | Salaries. |       | Incidental. |       | Total.  |       |
|---|-----------|-------|-------------|-------|---------|-------|
|   | £         | s. d. | £           | s. d. | £       | s. d. |
| North Canterbury (from 1st January to 31st December) ... .. | 31,919    | 0 0   | 6,276       | 6 9   | 38,195  | 6 9   |
| South Canterbury (from 1st January to 30th April)           | 1,931     | 18 6  | 465         | 11 9  | 2,397   | 10 3  |
|   | £33,850   | 18 6  | £6,741      | 18 6  | £40,592 | 17 0  |

The average attendance for the year 1878, in the schools of North Canterbury, was 9,641, so that the entire cost of maintaining the schools, with all incidental expenses, was at the rate of nearly £3 19s. 3d. per child, and the cost of instruction only at the rate of nearly £3 6s. 3d. It will be observed that a comparison of the reports from 1876 inclusive to the present year shows a progressive diminution in the average expense. The cost of instruction for the period ended 31st March, 1877, was £3 12s. 9½d. for each child in average attendance. For the year 1877, it was £3 9s., and for the year covered by the present report it was £3 6s. 3d. This is in each case exclusive of all incidental and general expenditure. Table I. appended to this report shows under separate heads the exact sums spent for salaries and incidental expenses in each school district of North Canterbury. It also gives a nominal return of the teachers employed in each school, with the salary and allowances payable to each teacher. The total number of teachers employed under the Board at the close of the year (besides thirty sewing-mistresses) was 334, of whom 118 were pupil-teachers. The average attendance for the December quarter was 10,076, giving an average of 30·1 to each teacher.

**RETIRING ALLOWANCES TO TEACHERS.**—The Board is of opinion that provision should be made for aged teachers. Several applications for retiring allowances have been received, but at present there are no regulations under which such cases can be dealt with. The establishment of some system which would insure to teachers the means of support when disqualified by age or infirmity from the active duties of their profession is a subject which the Board desires to commend to the Government as deserving of their best consideration.

**STATISTICS.**—At the end of the March quarter, 1878, there were under the control of the Education Board of Canterbury 119 schools, including the Normal School and three aided schools at German Bay, Glentui, and Westerfield. The school at Glentui has since been closed. The number of children on the rolls was 15,107, and the average attendance (working average) 10,964. On the 30th April the change effected by "The Education Act, 1877"—deferred for one month by an Order in Council made under the authority conferred by section 18 of the Act—came into operation. The South Canterbury