H.—2.

training for the work. The Inspector hopes during the present year to be able to devote a greater portion of time to the really most important part of his duties—namely, assisting teachers in organizing their schools, and indicating in what manner their method of teaching may be improved.

RECEIPTS AND EXPENDITURE.—The receipts from all sources during the year have been £22,127 Os. 11d., and the expenditure has amounted to £23,009 10s. 7d. At the commencement of the year the debit balance amounted to £2,333 13s. 3d.: at the termination of the year it was £3,216 2s. 11d. During the past year the Board have had one continual struggle with financial difficulties; and, but for the timely assistance of the Government, would have been compelled to give up the affair as hopeless. During the present year their expenditure will be made to correspond with their receipts, though with the result that the district will be far behind other districts with reference

to the advantages enjoyed under the Act.

AVERAGE ATTENDANCE.—In the Board's report for the year 1877 occurs the following paragraph: "At the time the last report of the Board was published, they had under consideration the necessity for making some of the schools into half-time schools, owing to decrease in attendance; but, after giving the matter very careful consideration, they decided that, on account of the peculiar circumstances of the district, the long distances between the various schools, and the large percentage of wet days during the year, they would not make any alteration." To what extent the average attendance is likely to be affected by the weather, where schools are far part, may be better understood after reference to Table E, showing rainfall and number of wet days per month for the year 1878. It will be evident that our climate is a principal agent in placing this district in a disadvantageous position under the Act, as compared with other districts. Though the same objections still exist (with others which could be enumerated) against the establishment of half-time schools in this district, the Board

have no choice in the matter, but are constrained to adopt that plan by financial pressure.

EDUCATIONAL RESERVES.—The reserve at Kumara is still the only one which yields any revenue, which revenue is yearly decreasing very considerably. This, with the other reserves, passed from the control of the Board to that of the School Commissioners at the end of June, 1878. The Commissioners for the Westland Provincial District have paid over no revenue to the Board during the past year, there being at the time the Board handed over the reserves a considerable overdraft upon Reserve Account, the reasons for which were fully set forth in the Board's report for 1877. The sum of £47 3s. was received by the Board during the year from the Commissioners for the Nelson Provincial District, on account of primary reserves in the Grey Valley. In their report for 1877, the Board expressed the opinion that the capitation allowance payable under the Act was not sufficient to enable them to work the Act satisfactorily in this district. They desire on this occasion to respectfully reiterate that opinion, more strongly confirmed by the experience of another year, and to express a hope that something may be done, either in the manner previously mentioned in this report or in any way the Government may consider desirable, to relieve them from their present unsatisfactory position. The Board desire to thank the Government for the liberal aid rendered during the past year, but they feel that they cannot depend upon any such aid being extended to them in the future, and therefore venture to hope that during the next session of Parliament something may be done to place matters on a more satisfactory footing.

a more satisfactory footing.

Public Libraries.—Table G shows the distribution of the amount allotted to this district under "The Public Libraries Subsidies Act, 1877." The Board have no information of any importance to

communicate with reference to public libraries in the district.

I have, &c., GERHARD MUELLER,

The Hon. the Minister of Education.

Chairman, Board of Education.

Note.—At this date the misgivings expressed by the Board in this report, with reference to the effects of the reduction of salaries upon the teachers, have been fully verified,—nine of the best teachers in the Board's employ having sent in their resignations. Most of these teachers were brought by the Board from Victoria at considerable expense. Under these circumstances, the Board desire to place upon record their strong conviction that, unless some special provision can be made for the district, it will be better for the Government to take charge of it, and administer affairs from the Central Department.

GENERAL STATEMENT of INCOME and EXPENDITURE for Year ended 31st December, 1878.

Income.	£	8.	d.	Expenditure.	£	8.	d.
To Grants from Government-General	11,001	12	11	By Overdraft on December 31st, 1877	2,333	13	3
" " Buildings	10,100	0	0	Office and Board—	-		
Net receipts from education reserves				· Office staff	313	15	0
(Nelson)	47	3	0	Members of Board	122	9	0
Arrears of rates collected	386	17	0	Departmental contingencies	375	12	8
Incidental Receipts—Refunds, &c	69	8	5	Inspection-Salary	450	0	0
", ", School books, &c.,				" Travelling expenses	209	0	0
sold		15		Teachers' salaries and allowances	9,508	1	3
Overdraft	3,216	2	11	School Committees, for educational			
•				purposes (including school books,			
				£1,116 11s. 4d.)	1,666		4
•				Insurance of buildings	109	-	6
				Buildings-Works, &c	9,192		
				" Plans and supervision	433		
				Sundries—Collection of rates	169		4
				" Bank interest	247	8	3
	605 101		10		£25,131	10	10
,	£25,131	. 19	10		£20,131	19	10