amounted to the sum of £46,355. The Board was greatly embarrassed when informed, a few months afterwards, that the sum of only £19,000—considerably less than half the amount required—had been allotted to this district for meeting the cost of buildings so urgently needed and so clamorously called for. At present, the principal schools in the district are, almost without exception, greatly over-crowded, and, in a good many cases, admission has had to be refused to numbers of pupils, even after all available outside buildings have been turned to account to supplement the accommodation. In all these cases, the immediate erection of additions or of new schools to relieve the pressure is imperatively required. Numerous claims for the establishment of schools in newly-settled or rapidly-growing districts continue to be brought forward, which cannot be granted for want of funds, and a large number of school-buildings that have done service for many years have so fallen into disrepair, and are so unsuitable, because of inferior construction and faulty arrangement, as to render it imperative to replace them by more suitable ones at the earliest possible moment. Another serious source of expense lies in the necessity for furnishing a considerable number of schools that are otherwise wellappointed. In the face of all these calls upon its funds, and well knowing the great hardships and even injury inflicted upon both teachers and pupils in numerous instances on account of limited accommodation, the Board regrets exceedingly that it is powerless to make anything like adequate provision for the educational wants of the district, because the means absolutely necessary for doing so have been so seriously curtailed. Works to the value of £29,000 have already been authorized, and fresh claims for further works are being lodged every week. A site for a school so urgently required at the north end of Dunedin has at length been secured, and suitable school-buildings will be erected forthwith.

PUBLIC LIBRARIES.—No additional libraries have been established during the year. Books to the value of about £2,000 have been ordered from Britain for the use of the public libraries. The first shipment left in December, and will be ready for distribution to the various committees in March. Other large orders were to follow. These books will be distributed in accordance with the provisions of "The Public Libraries Subsidies Act, 1877." In addition to this, library committees will be entitled to purchase, with their own funds, from the Board's stock, such books as they may desire, the object of the Board being to place it in the power of such committees to obtain for their libraries strongly-bound and suitable books at a reasonable cost.

GENERAL.—The Board respectfully request the attention of the Minister of Education to the question of securing school sites in towns and villages where no public lands are available. The cost of purchasing a suitable school site in the City of Dunedin, in its immediate suburbs, or in any of the larger inland towns, is equal to that of the erection of school-buildings thereon; and the Board submit that such expenditure should not be made a charge on the funds at its disposal for general educational The Board would again urge the desirability of funds being made available for purchasing sites in such localities in advance of the school requirements, and before the enhanced value, which immediately follows an increased population, accrues. The Education Act has been based on the system of free and compulsory education, but, in the absence of an adequate supply of school-buildings and teachers, or of the means of providing them, the compulsory clause is a dead-letter. The Board is charged primarily with the advancement of the interests of education in this education district, and it feels it would fail in its duty if it did not point out the utter inadequacy of the funds at its disposal for carrying out the objects of the Act.

The Board desires to point out that, in the absence of provision for voters' rolls, and for the taking of a poll at the elections of School Committees, the cumulative system of voting does not work

well, and suggests that the Act be amended to remedy this.

By order of the Board. The Hon. the Minister of Education.

P. G. PRYDE, Secretary.

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

Income.	f	3 s.	d.	Expenditure.	£	8.	d.
To Balance on 1st January, 1878	2,3			By Office and Board—			
Grants from Government-General	62,0			Office staff	691	5	2
" Buildings	14,6	56 9	6	Members of Board	64	16	0
Net receipts from education reserves	1,7	92 13	1	Departmental contingencies	389	12	3
School Fees - Drawing-master's dep	part-			Inspection—Salaries	856	15	0
ment	1	10 0	0	" Travelling expenses	394	8	5
Incidental Receipts—				" Examinations of teachers	43	18	5
Sale of school sites	1	21 7	9	Teachers' saluries and allowances 4	10,088	18	9
Bank interest		70 10	3	School Committees £5,619 14s. 11d., less			
Balance, Libraries Account	3	92 2	4	£77 3s. 4d. paid to Southland	5,542	11	7
				Scholarships—Preliminary expenses	17		6
				Training Institution	2,193	6	8
				BuildingsWorks, &c 1	10,705	6	6
				" Plans and supervision	411	2	5
				Balance in hand 2	20,131	8	9
	£81,5	31 1	5	£8	31,531	1	5

DETAILS.—The amount actually received from Government was £79,543 11s. 8d.; but of this sum £2,802 11s. 8d. has been charged against the new Southland Board, leaving £76,741 as above. Staff: Secretary, £398 15s. 2d.; clerk, £205; clerk, £87 10s.: total, as above, £691 5s. 2d. Departmental Contingencies: Law expenses, £28 9s. 8d.; printing, £149 16s. 8d.; advertising, £123 16s. 3d.; stationery, £76 10s. 8d.; fire, gas, &c., £10 19s. Teachers' Salaries, &c.: Ordinary teachers, £38,437 7s. 9d.; Practising Department, Normal School, £1,551 13s. 4d.; Drawing-master's Department, £800 16s.; drill. £18 5s.; less £719 3s. 4d. paid to Southland: total, as above, £40,088 18s. 9d. Buildings: Works, &c., £11,401 11s. 6d.; purchase of sites, £1,310; less £2,006 5s. paid to Southland: total, as above, £40,088 18s.

#210,705 6s. 6d.

Total of general statement, as above, £81,531 1s. 5d.; transferred to Southland Board Account, £2,802 11s. 8d.; Public Libraries Account, £1,052 3s. 8d. and £135 17s. 10d.: total of Board's audited general statement, £85,521 14s. 7d.