GENERAL STATEMENT OF RECEIPTS	and Expenditure for the Year ending 31st Dece	mber, 1888.
Receipts.	\pounds s. d. Expenditure.	£ s. d.
To Balance at beginning of year—	By Office staff—Salary	. 125 0 0
On Building Account	911 5 4 Clarical assistance	11 0 0
On General Account	300 18 1 Departmental contingencies	120 5 6
D. H	2 5 3 Inspector's salary	175 0 0
Government grant for buildings	762 12 0 Inspector's travelling expenses	65 0 0
	5,489 1 3 Examination of pupil-teachers	. 26 8 0
	110 10 0 Topoborg, coloring and allowances (in	
Scholarship grant Inspection subsidy	aluding rant honus &c)	5 AOR 1 11
0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	019 17 0 Incidental expanses of schools	000 0 9
au e na tinini.	10 0 0 Scholarships—	
75	3 0 0 Paid to scholars	. 112 10 0
G 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Examination expenses	. 12 12 0
Sale of books Sale of salvage, Hokitika fire	23 16 b School buildings—	
Shie of Shivage, Hokivika nie	New buildings	. 79 0 3
	Improvements of buildings	. 211 7 5
	Furniture and appliances	. 54 7 0
	Sites	. 55 14 2
	Plans, supervision, and fees	. 53 10 6
	Deposit	. 300
	Interest	
	School books	
	School requisites	
	Cheque overdrawn	. 0 0 10
	Balance at end of year—	
	On Building Account	
	On General Account	. 264 3 10
	Petty cash	. 250

GERHARD MUELLER, Chairman. John Smith, Secretary.

£7,438 9 0

Examined and found correct.—JAMES EDWARD FITZGERALD, Controller and Auditor-General.

NORTH CANTERBURY.

Christchurch, 31st March, 1889. SIR,-I have the honour to present the following report of the proceedings of the Education Board of the District of North Canterbury for the year ended the 31st December, 1888.

£7.438 9

THE BOARD.—The three members who retired on the 31st March were Mr. Anson, Mr. Booth, and Mr. Wright, who were re-elected. At a meeting held in April Mr. Chrystall was re-elected Chairman. Mr. Saunders and Mr. Weston were elected members of the Appointments Committee, and Mr. Peryman, Mr. Booth, Mr. Wright, and Mr. Anson members of the Buildings Committee. In the following month the Board lost one of it most valued members by the death of Mr. G. Booth. Mr. Booth had served on the Board for seven years, had been a very active member of the Buildings Committee, and for a short time had filled the chair. The Board was unanimous in placing on record its sense of the loss both the Board and the District of North Canterbury had sustained by his death, and of the high esteem he had gained by the punctual, painstaking, and conscientious care with which every duty undertaken by him was discharged. On the 5th July, Mr. Ruddenklau was elected to fill the vacancy. On the 19th July it was resolved that the ordinary meetings of the Board should be held once every three weeks, instead of twice a month, as formerly. The Board held twenty-one ordinary meetings and one special meeting during month, as formerly. The Board held twenty-one ordinary meetings and one special meeting during the year. The Buildings Committee met twenty-three times, including two special meetings; and the Appointments Committee forty-six times.

Retrenchment.—In consequence of the loss of income resulting from the reduction of the capitation allowance, the computation of the allowance upon the strict instead of the working average, and the withdrawal of the £2,000 annually allowed for training it became necessary for the Board to effect reductions in its expenditure to the amount of more than £7,000. A committee was appointed to consider how such reductions could best be made, and, in accordance with the recommendations of the committee, it was decided to discontinue the drill instructor's department, the contribution of £300 made to the School of Art, and the bonuses paid on teachers' certificates; to terminate the engagements of the principal, tutors, and kindergarten mistress of the Normal School; to make reductions in the salaries of the Inspectors and officers of the Board; and to reduce the grants to School Committees for incidental expenses by £1,000, equivalent to about 16 per cent. This retrenchment, it was estimated, would sufficiently make up for the loss of revenue sustained through the reduction in the payments made by Government, and would leave a balance available for the re-establishment of the Normal School upon a new and less expensive system, particulars of which will be given in another paragraph. At a meeting of the Board held on the 5th April a new scale of staff and salaries was adopted, differing from the scale previously in force in several important respects. In schools with an average attendance of less than thirty, it was proposed, as far as possible, to employ female teachers; the minimum average entitling a school to a second teacher was raised from thirty-five to forty-one; additions to the staff were made by increments of thirtyfive to forty-five pupils, instead of by a uniform increment of thirty-five; the number of pupilteachers was reduced; assistant masters were earlier introduced, and in the larger schools were made to take the place of the former principal mistresses. These alterations allowed of an increase to the salaries of the principal teachers, who were most affected by the cessation of the bonuses, of from 8 to 10 per cent. The new scale, and also the amended scale of grants to Committees, with