teachers in this district have been raised, but the Board cannot refrain from expressing the opinion that the Act would enable the Board to discharge their functions better were more inducement in the shape of higher salaries and adequate lodging-allowance offered to boys to enter the teaching profession. The grant for relieving teachers is not, in the opinion of the Board, large enough to allow of the employment of experienced teachers, and in not a few cases teachers have had to carry on their schools unassisted, and in other cases schools have had to be closed by reason of the absence through sickness of some teachers. In many cases also teachers when absent owing to sickness lose the whole or a portion of their salary for the time they are absent. The want of elasticity in the Act undoubtedly causes an unnecessary amount of hardship. The Board was enabled late in the year to distribute among School Committees, including the Committees of aided schools, a sum of more than £420. It is proposed to make this increase permanent. The Board has by the passing of the Public-school Teachers' Salaries Act been relieved of the necessity of always holding a large credit balance to provide against a decrease in its revenue which would be brought about by an epidemic of any kind. It must not be forgotten that the Public-school Teachers' Salaries Act is based upon a capitation allowance of £4 instead of £3 15s., and that the Board could have achieved equally good results had it received the former amount.

Inspection.—During the month of August the Board received and accepted with regret the resignation of the Chief Inspector, Dr. J. Smyth, M.A., who had been chosen for the position of principal of the Training College for Teachers, Melbourne. The vacancy was offered to and accepted by Mr. William Gray, M.A., B.Sc., rector of the Palmerston North District High School.

Summer School.—This report would be incomplete were mention not made of the summer

Summer School.—This report would be incomplete were mention not made of the summer school for teachers which was held during the latter part of the midsummer holidays—20th January to 6th February. The success of the gathering, which was attended by some two hundred and fifty teachers, including several from other districts, was undoubtedly due to Dr. Smyth's organization.

Physical Drill.—The teaching of physical drill, in one or other of its forms, has now a place on the time-table of every school. The time given varies from a minimum of half an hour in the smaller schools to one hour or one hour and a half in the larger ones. Fourteen schools have cadet corps and in them the drill is according to the requirements of the Department. In each of the remaining schools, wand, club, or dumb-bell drill finds a place according to the teacher's fitness to teach one or another. The teaching, as reported on by the Inspector, is generally satisfactory.

Finance.—The year opened with a credit balance of £3,314 16s. 11d., and closed with a credit of £2,646 4s. 10d. Both accounts were in credit, the general to the extent of £1,325 6s. 6d. and the building £1,320 18s. 4d. There was, however, a debit balance on account of the technical schools of £512 15s. 9d. There were liabilities on the building account amounting to £5,512 19s. 2d., and assets amounting to £5,085 1s. 4d.

I have, &c.,

The Hon. the Minister of Education, Wellington.

GEO. S. BRIDGE, Chairman.

CENTERAL STRATEMENT Of RECEIPTS SI	nd Expendi	TURE for the Year ending 31st December, 1902.
	IG LIMITAL	
Receipts.		Expenditure. £ s. d.
Credit balance at beginning of year —	£ s. d.	Office staff—Salaries and clerical assist-
On Building Account On General Account		ance 663 0 1
On General Account	367 11 5	Departmental contingencies 468 12 9
Government grant for buildings	3,627 10 0	Inspectors' salaries and travelling-expenses 1,083 1 3
Subscriptions and donations for build-		Truant Officer's salary and expenses 219 9 4
ings	50 0 0	Examination of pupil-teachers 59 1 8
School-sites leased	37 9 10	Scholarships-
Schools-sites sold	81 0 0	Paid to scholars 614 10 0
Refund	5 4 0	Examination-expenses 21 8 3
Material sold	1 0 0	Training of teachers 379 17 6
Other grants from Government-		Teachers' salaries 35,874 3 0
Capitation for relieving-teachers	177 16 8	Teachers' house allowances 860 18 2
Allowance, £250, and capitation at 11s. 3d.	5,130 3 0	Pupil-teachers' lodging allowances 313 2 9
Addition to statutory capitation for 1901	590 3 10	Incidental expenses of schools 2,256 0 8
Salaries and allowances of teachers and		School buildings—
pupil-teachers—		New buildings 3,019 13 9
Net amount paid by Government	33,747 1 0	Improvements of buildings 1,257 18 4
	2,140 19 1	Rebuilding fence destroyed by fire 5 10 0
Scholarship grant at is. od.	$622 \ 3 \ 7$	Furniture and appliances 480 12 8
District High Schools—		Sites 412 15 3
Grants	147 10 0	Plans, supervision, and fees 253 2 10
Capitation	1,133 0 0	Manual and technical instruction—
Manual and technical instruction—	1	Salaries 840 17 8
Capitation for—		Travelling-expenses of instructors 15 14 0
School classes	8 15 0	Buildings 360 0 0 Apparatus 39 2 2
Special classes—		Apparatus 39 2 2
Continuation	5 15 10	Material
Manual and technical instruction	249 11 10	
Grants for—		Incidentals 160 16 3
Buildings	360 0 0	Other expenses—
Instruction of teachers	5 12 6	Conveyance of children 36 0 0
Subsidy on voluntary contributions	4 0 0	Swimming 16 4 0
For rebuilding fence destroyed by fire	5 10 0	Rent of buildings used for school pur-
District High School fees	183 10 0	poses 29 0 0
Manual and technical instruction—		Credit balance at end of year 2,646 4 10
Fees	739 18 0	
Voluntary contributions	20 7 6	
Other receipts—		•
Training of teachers—Fees	74 14 6	
Truant inspection—Fines received	0,14 0	
	52,464 7 1	850 404 77 4
<u>ئ</u>	04,404 / I	£52,464 7 1

Geo. S. Bridge, Chairman. W. J. Carson, Secretary.