awarded to pupils from three different grades of schools. The successful competitors were a scholar of Lower Shotover (school with average below 40), a scholar of Waihopai (school with average of 40 to 200), and a scholar of Gore (school with average of over 200). As the successful candidates require to reside away from home while attending the prescribed secondary school, the value of the scholarship in each case is £10, with £30 lodging-allowance added. To those who stood next highest on the list the Board awarded eleven resident (value of £5 per annum) and eight non-resident (value £30 per annum) scholarships, all tenable for two years at an approved secondary school. Senior Scholarships were awarded to three scholars, all tenable for three years, the first two at the Southland Boys' High School, and the third at the Gore High School.

FREE TEXT-BOOKS.—The Board, after the experience of the past two years, has seen no reason to alter its opinion that the experiment of providing free text-books for the pupils of our public schools was a mistake. There is abundant evidence that this concession was not sought for, and is not appreciated by those for whose benefit the innovation was introduced. In the Board's opinion, if some such concession is required, it should take the form of supplying exercise-books, drawing and copy books, and stationery for the use of pupils. This suggestion, if acted on, would be absolutely free from many of the objections raised by parents to the indiscriminate use of text-books by all the pupils attending our schools. A diversion of the large sum annually spent on this service might now very reasonably be insisted on.

Inspection and Examination of Schools.—For details of the work connected with the inspection and examination of schools, and for information concerning the progress of education generally throughout the district, those interested are referred to the report of the Board's Inspectors. (This report is reprinted in Appendix C.)

MANUAL AND TECHNICAL INSTRUCTION.—A perusal of the report of the Director of Technical Instruction, with accompanying tabulated statements, will afford full information respecting that branch of the Board's operations—present and prospective. (This report is reprinted in E.-5.)

Physical Culture.—The Board has retained the services of Physical Instructor I. G. Galloway during the year. As has been previously mentioned, this officer devotes only a part of his time to the physical training of the teachers and pupils under the Board's jurisdiction. By arrangement with the Southland High Schools Board, he has also charge of the physical-culture classes in the Boys' and Girls' High Schools, Invercargill. The Board has reason to be well satisfied with the results achieved in a majority of the schools under its control in this important subject. Cadet companies have been established in connection with several schools in the district, and the military and other exercises are carried out with commendable regularity, to the great advantage of the boys enrolled.

SCHOOL BUILDINGS.—The amount standing to credit of the Building Account at the close of the preceding year, as shown by the Auditor-General's balance-sheet, was £977 14s. 6d. The receipts from Government for the year just closed amounted to £8,700 18s. 6d., which, with an additional sum of £88 3s. 9d. received from "other sources," constituted (including the credit balance) the total revenue available for building purposes during the year—viz., £9,766 16s. 9d. Of this amount £7,061 11s. 2d. was received from the Government for ordinary maintenance (£2,743 of this item represented arrears due for the preceding year); £300 for the reinstatement of a building destroyed by fire; £169 7s. 4d. as rents for buildings and sites used for school purposes; and, lastly, £1,170 for the erection of new buildings and additions. Against this, an purposes; and lastly, £1,10 for the erection of new buildings and additions. Against this, an expenditure of £7,270 11s. 9d. was incurred, the details of which are as follows: Maintenance of school buildings, £3,139 9s. 6d.; small additions and ordinary rebuilding, £873; rebuilding residence destroyed by fire, £300; new schools and additions, £2,774 9s. 10d.; rents of buildings and sites, £183 12s. 5d. The net credit balance to the Building Account at the close of the year thus stood at £2,496 5s. Departmental Return No. 6\* shows in detail the expenditure as applicable to the respective school districts under the Board's control. Return No. 5, "Statement of Money Assets and Liabilities," shows that a sum of £1.413, balance of maintenance grant for the year, as also a sum of £4,460, approved grants for new school buildings and additions, were due by the Government to the Board, against which accounts there were liabilities actually incurred amounting to £721 7s. 3d. and £2,621 1s. respectively. Nearly all the ordinary repairs to school buildings and teachers' residences are now carried out by the Board's staff of workmen, acting under the supervision of the architect and his assistant. The Board believes that this system of providing for the maintenance of its buildings in proper repair is more efficient than, and quite as economical as under, the former method of carrying out such works by contract. Several works of more than ordinary importance were completed during or were in progress at the end of the year. The principal works (authorized by the Department) for which special grants in aid were promised were the erection of new infant-rooms at North Invercargill, Mataura, and Waihopai—these works are now in progress; additions to the school buildings at Nightcaps, Orepuki, and Wyndham; and the crection of new residences for the teachers at Edendale, Oraki, Benio, and Waikaka

Finance.—In its statement of accounts submitted this year for audit it will be noted that the Board has proposed several transfers of items—legacies of the past imperfect system. Referring in detail to these transfers, the following explanation is submitted. A sum of £448 5s. 4d., a deficit in respect of the purchase some years ago of a section which forms part of the Technical School site, is transferred to credit of the "General Administration" Account. Transfers also of (1) a sum of £53 15s. 7d. standing to credit of the Scholarship Account, and (2) of a sum of £92 5s., a deficit against the District High Schools Account, have been made to debit and credit respectively of the account for general administration. The other transfers are self explanatory—that in the Technical Account being altogether formal. It may be pointed out that the transfers