H.—1,

examined in the standard in which they are actually learning, instead of in the standard below, as when the method was first introduced. This alteration entailed very heavy work upon some of the schools during the year, the teachers having decided to pass the scholars through the two standards, instead of reclassifying as allowed by the Board. This, when taken into consideration with another serious drawback—viz., the constant prevalence of scarlet fever for a great part of the year, in some localities—makes the result of the December examination, as shown by the Inspector's report herewith enclosed, on the whole satisfactory.

The whole of the Board's schools are thoroughly and systematically examined at least twice in

each year, in addition to a constant supervision exercised by the Inspector.

HIGHER-CLASS EDUCATION.

The question of providing a higher-class education than that given in the elementary schools has several times occupied the attention of the Board; and they decided eventually to leave the matter in abeyance until the provisions of "The Education Act, 1877," were known, and until the new Board was elected under the Act.

The reserves set aside for secondary education under "The Education Reserves Act, 1877," not being likely to yield much revenue, the Board fear they will not be able for some time to accomplish much in the direction of supplying secondary education without some aid from the Government.

Proposals for the establishment of scholarships have been made by the Inspector, and will receive

early attention from the Board.

SCHOOL BOOKS, ETC.

A list of the books used in the Board's schools has already been forwarded to Wellington; and the Board would strongly recommend the adoption of the reading books, grammars, geographies, and arithmetics supplied by them. Elementary science and object-lessons having been made compulsory subjects in the public schools, the Board have ordered several cabinets of objects for the latter purpose; and for the former would suggest the adoption of the text-books edited by Huxley, Roscoe, and Stewart.

MILITARY DRILL, AND PHYSICAL TRAINING.

The Board, in compliance with the provisions of clause 85 of the Act, and fully recognizing the benefit of physical training in connection with the mental work, and the constantly-increasing necessity for the youth of the colony to be instructed in military drill, have secured the services of a person who will impart instruction, in all the Board's schools, in both subjects. A gymnasium has been provided at Hokitika and at Greymouth, and in other places gymnastic apparatus has been erected in the playground.

PORTION OF NELSON DISTRICT TO BE ADDED TO WESTLAND DISTRICT.

Though the Grey Valley portion of the Educational District of Nelson does not come under the control of the Westland Board until the end of April, it was thought advisable to obtain information as to its requirements at as early a date as possible. The Inspector was therefore requested to visit and report upon the various districts. He reports that the Board will now require to provide for ten additional schools in this part of the Board's district, of which only two small ones have been provided by the Nelson Board, three are now held in small private buildings, and five are not yet provided in any way, and require building. He reports that an expenditure of £5,000 will be required upon buildings, and that the permanent expenditure, upon salaries, &c., will be about £1,500, the number of children of school age being about 500. This part of the district is in a similar position to the Westland District when the Board first commenced operations; and they feel that, without liberal treatment by the Government, they will be unable to provide adequately for its requirements. Table F gives the amount required for this part of the district.

Education Reserves.

The only reserve which has yet yielded any revenue to the Board is that at Kumara, and the statement of receipts for the past year shows a considerable decrease upon the previous year. This is attributable to a large number of sections having been taken up in 1876 for speculative purposes, the prospects of the gold field at the commencement of 1877 not justifying a renewal by the holders. Occupation was granted for the first year, under a "License to Occupy," with right of renewal for three, five, and seven years. A separate account of receipts and expenditure on account of the Kumara Reserve not having been kept, nor a separate bank account opened previous to 1st November, 1876, the account, at the close of the year 1877, showed a debit balance of £337 16s., partly caused by falling off in receipts, and partly by the payment in 1876 of £2,054 17s. 4d. into the Board's Education Fund Account. The last statement of receipts and expenditure having been made up to 31st March, 1877, there are now appended in Table G a statement of receipts and expenditure for the year ended 31st December, 1876, and in Table H a statement of receipts and expenditure for the year ended 31st December, 1877. Table I shows the total receipts and expenditure for the two years ended 31st December, 1877. The reserve is now apportioned, under "The Education Reserves Act, 1877," between primary and secondary education.

The Board feel that the present condition of affairs with reference to educational matters would, three years ago, have been considered almost impossible of realization, and they regard the great

improvement effected as a matter for congratulation.

With reference to the working of "The Education Act, 1877," in this district, the Board are sorry they cannot express satisfaction; and they desire to point out that the capitation allowance payable under the Act is entirely inadequate to enable them to carry out its provisions, more particularly when it is considered that the programme of instruction provided therein is extremely liberal.