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colony as endowents for scholarships, the revenues from these lands to be distributed amongst those districts where no endowments for this purpose at present exist. Seeing that the revenue from primary reserves is now colonial revenue, the objection which might at one time have been urged against the adoption of this course would no longer be valid.

Pupil Teachers.—As shown in the Inspector's report, the number of pupil teachers examined in December last was thirty-two. As suggested by the Inspector in his report, the Board will, most probably, consider the advisability of remodelling the regulations relating to pupil teachers during the

current year.

High School and Training School.—The remarks made by the Inspector concerning pupil teachers bring the Board to the consideration of the questions of establishing a Normal or training school. The Government placed at the disposal of the Board during the year the sum of £80, to be expended in connection with training of teachers. The Board proposed sending four of the teachers of small schools to a Normal or training school in one of the other districts, with a view of their receiving instruction in school management and the art of teaching. The sum of £20 was to be allowed to each teacher sent, to cover expenses. The scheme resulted, however, in one teacher only being sent, who remained but a short time in the district after his return. The Board, therefore, decided not to send any more teachers, fearing the same result. The arrangement also involved the closing of the schools during the absence of the teachers, and to this the Committees strongly objected. It is therefore quite clear that if anything is to be done in this direction, a Normal or training school must be established within the district. following are some of the principal reasons why such a school should be established :--It would secure to pupil teachers who have served their full time the opportunity of prosecuting their studies without going outside the district, and would furnish the means whereby the teachers of small country schools could receive lessons (often so much needed) in the art of imparting instruction in organization and school management. Without some such institutions where the teachers of small schools could also receive instruction in the extra subjects, such as singing, drawing, and elementary science, it cannot be expected that, for some time to come, the whole programme as given in clause 84 of the Act will be strictly observed in any other than a few of the larger schools. It is questionable whether matters are sufficiently advanced in this district to justify the Board, even if they had the funds, in establishing a High School pure and simple. If, however, a Normal or Training School were established, matters could, no School pure and simple. If, however, a Normal of Training School were established, matters could, no doubt, be so arranged that those few scholars who are sufficiently advanced could receive instruction in some of the higher branches. No doubt can exist as to the advantages which would accrue from the establishment of such a school in the district. It would furnish a centre from which fresh impulses would constantly be given to educational matters throughout the district. The periodical visits of an Inspector are no doubt of great service as far as testing the work done, pointing out imperfections, and indicating methods by which improvement may be effected, are concerned; but something to supplement this is required; something which will furnish to teachers of small schools actual practice in the most approved methods of instruction; and at the same time means of acquiring additional knowledge to teachers, pupil teachers, and the scholars most advanced in the elementary programme. The most serious difficulty in the matter is that of expense, though that need not necessarily be great. pointment of an additional assistant teacher to one of the large schools, and some small expenditure in connection with apparatus, fitting up of lecture room, &c., would represent all the outlay required at the commencement. The Board have already recommended that the Inspecting Staff should be placed under the immediate supervision of the Inspector-General; and if this be done, and the Board relieved of all charges in connection with inspection, the amount saved to the Board, with some additional grant

from Government, as provided by sub-section 3 of clause 8 of the Act, would defray the expense.

Inspection of Schools.—The Board would respectfully recommend to the consideration of the Government the following extract from the Inspector's report, bearing upon this subject:—"The result examinations, for obvious reasons, should be arranged to terminate as nearly as possible at the end of the year. A set of 'pattern' papers, for each subject and every standard, should be prepared annually at the department and forwarded to the Inspectors. The patterns should show the number and nature of the questions to be framed by the Inspector, together with the number of marks to be awarded for each correct answer, and some scale of reduced marks for answers not strictly correct, but showing more or less knowledge of the subject under treatment. The percentage of marks necessary to constitute a pass should also be strictly defined, and in every case the average percentage of marks gained in each class should be recorded, as well as the percentage of passes; the latter alone, as I have frequently had occasion to point out, being very misleading and utterly untrustworthy as a criterion of the relative merits of schools. For assuming that 50 per cent. of the possible marks (or where marks are not at present recorded, that four correct answers out of seven) constitute a 'pass;' two schools might be credited with the same number of 'passes,' and the inference would be that they were equally efficient. in one case a little over the 50 per cent. of marks (or four correct answers) might have been recorded, and in the other 90 per cent. of marks (or six or seven correct answers)."

Finance.—The receipts from all sources during the year amounted to £18,262 9s. 11d., and the expenditure to £17,852 13s. 10d., leaving a credit balance of £409 16s. 1d. At the commencement of the year the debit balance amounted to £3,216 2s. 11d., being £1,996 12s. 3d. on building account, and £1,219 10s. 8d. on general account. At the same period, the amount of the Board's liabilities was £2,391 18s. 1d., being, building account, £671 1s. 2d, and general account £1,720 16s. 11d., divided as follows: School material, £539 12s. 7d.; capitation allowance for committees for December quarter, £206 15s. 1d.; balance of teachers' salaries for 1878, £135 5s. 8d.; payments for results for 1878, £472 9s.; payments for instructing pupil teachers for 1878, £213; sundry accounts, £153 14s. 7d. The total of the Board's liabilities on the general account, at the end of the year 1878, was £2,940 7s. 7d.; and they received during the year the sum of £2,000, as a special grant to meet liabilities. The debit balance at the termination of the past year amounted to £970 4s. 10d., showing that the Board had added to their liability to the extent of £29 17s. 3d. In addition to this amount, however, there was a liability existing at the close of 1879 amounting to £244, being amount due for instructing pupil teachers. follows that the Board have exceeded their income during the past year to the extent of £273 17s. 3d. The causes of this are to be found under the headings of both receipts and expenditure, and are as