are in exactly the same position, so that all applications must be dealt with according to their merits. Most of the new schools have been erected at considerable distances from existing schools, and in consequence it has been found impossible to introduce the system of half-time schools, which has been found to work satisfactorily in some of the other education districts.

Owing to the delay on the part of the Government in allocating the grant for the buildings, the Board was obliged to make arrangements with its bankers for an overdraft to meet the liabilities incurred in completing buildings already sanctioned, and to clear off existing liabilities. Towards the end of the year the Board resolved to defer the consideration of all applications for grants for buildings until it was informed as to the amount of grant to be allocated to this district, and as to the time when it would be realized. It is to be regretted that the Government cannot see its way to make the allocation at an earlier period of the financial year, so that Boards may be in a position to keep their expenditure within the limits of the grant.

Scholarships.—The annual examination for scholarships was held on the 17th December last and following days. For the senior class there were eight, and for the junior twenty competitors. The successful candidates for the senior class were Lewis Sangster, South Public School, Invertible 18th of France 18th Carbon 18th cargill, and John G. Fullarton and Bessie Dickenson, Riverton District High School, and for the junior class, John A. Erskine and Charles E. Borne, both of the South Public School, Invercargill, and Alexander M. Burns, of the Riverton District High School.

The scholarships, both senior and junior, are tenable for two years, and in cases where the holders can reside at their own houses, while attending an authorized school, their value is £20 a year, but in all other cases they are of the value of £40 a year. It may be stated that the special subjects prescribed for 1883 were English—Shakespeare's King John (Nelson's Royal School Series), and Latin—Cæsar's De Bello Gallico, Book III.

Pupil-teachers.—The annual examination of pupil-teachers was held on the 17th of December last and following days, when a considerable number passed the ordeal in a very creditable manner

The regulations for pupil-teachers have been amended during the year, chiefly in the direction of the mode of instructing those employed in the Invercargill schools. The following is the regulation of the mode of instructing those employed in the Invercargill schools. tion referred to "The pupil-teachers shall attend together at one central school in Invercargill for one hour every afternoon in the week, and shall be instructed in the following subjects by the headteachers, who shall arrange the work amongst themselves at the beginning of the year by mutual agreement, and report the arrangement to the Board, and, in default of such agreement, shall do the work in such order as shall be fixed by the Board (1) English, including reading, recitation, spelling, and writing, (2) arithmetic, (3) grammar and composition, (4) geography, (5) history, (6) elementary science, (7) geometry, (8) algebra, (9) Latin, (10) French, (11) music, (12) drawing. The head-teacher of each school in the City of Invercargill shall be remunerated at the rate of £1 per annum per pupil-teacher for every one of the above-named subjects in which he gives instruction if annum per pupil-teacher for every one of the above-named subjects in which he gives instruction, if the pupil-teacher is successful in that subject at the annual examination, and otherwise he shall only receive half that amount."

INCOME AND EXPENDITURE.—A full statement of the details of the Board's income and expenditure for the year is appended. The following is a statement of the income and expenditure of School Committees, as made up from the abstracts received by the Board :-

INCOME. Balances From the Education Board From donations, subscriptions, &c. From other sources	£ s. d. 383 6 8 977 18 8 566 10 10 87 12 2 Cleaning schools and fuel Repairs to buildings, fences, &c. Books, maps, and furniture Towards teachers' salaries Committees' expenses, stationery Sundrics Balances	£ s. d. 820 15 2 . 240 13 6 174 17 9 159 5 2
	£2,015 8 4	£2,015 8 4

There is considerable improvement in the abstracts of Committees' accounts for last year. This is, no doubt, due to the new arrangements for auditing these accounts, rendering the items therein set down much more easy to classify and summarize. There is still a serious defect in these abstract forms as prescribed by the department. No provision is made for a statement of the assets and liabilities of each Committee at the end of the year, without which the exact financial position of each Committee cannot be ascertained. To show the great necessity for such a statement, one Committee, at the beginning of 1883, handed over a correct balance-sheet to the new Committee showing a small credit balance. After a few weeks a number of accounts amounting to upwards of £12 were sent in, of the existence of which the Committee had never been informed, and much unpleasantness and unkindly feeling were engendered. All this would have been obviated if the old Committee had been required to hand over to the new Committee a statement of the assets and liabilities along with that of the income and expenditure.

The state of matters as regards compulsory attendance, saving-banks, and life insurance, is I have, &c., almost the same as at the date of last year's report.

The Hon. the Minister of Education.

JOHN G. SMITH, Secretary,