Inspection and Examination.—Table F2 exhibits a gradual yearly increase in the cost of inspection and examination. This may be attributed to the larger number of schools and scholars, and to the fuller recognition of the truth of the maxim, "As is the inspection, so are the schools." The increasing attention given to the efficient inspection of the schools cannot but be regarded as a satisfactory feature.

Maintenance of the Schools.—The amounts shown in Table F2, under the head "Maintenance of Schools," include teachers' salaries and allowances, scholarships, training of teachers, and grants to Committees and schools out of the ordinary current income. The table shows that there was a gradual increase of the aggregate expenditure during the years 1878, 1879, and 1880, that there was a decrease in 1881 notwithstanding increased attendance and number of schools, and that there was an increase in 1882 and in 1883. The decrease in 1881 was evidently owing to the withdrawal, at the end of 1880, of the 10s. special vote, while the increase in the two following years was caused partly by the restoration of 5s. as a special grant, and partly by the larger number of schools and the increasing attendance. The grant of 5s. began to be paid on the 1st April, 1882.

School Buildings.—The amount of expenditure on school buildings varies each year according to the liberality of the General Assembly. The lowest expenditure was in 1881, owing to the smallness of the school-buildings vote, which was £42,700. The expenditure was highest in 1879, because the sum of £175,000 had been voted. I may explain that the "school year"—1st January to 31st December—overlaps the financial year by three months. This causes an apparent discrepancy between the figures shown in the Education Report and those in the Treasury accounts, which are for the financial year.

Average Annual Cost per Scholar.—Table A2 shows that the average attendance upon which grants are paid had increased in six years—1877 to 1883—from 40,837 to 69,843. The increase, 29,006, gives an average of 4,834 for each of the six years.

From the annual reports of the Minister of Education the following table has been compiled, showing the average cost per scholar from 1877 to 1883 inclusive:—

Expenditure per Scholar each Year from 1877 to 1883.

Authorities quoted.	For Year.	Current Expenditure.	School Buildings.	Total Current Expenditure and School Buildings.
Parliamentary Paper, H1, 1878, page 6	1877 1878 1879 1880 1881 1882 1883	£ s. d. 4 14 8½ 4 6 2½ 4 7 8 4 5 3½ 4 1 6 4 3 6½ 4 3 7½	£ s. d. 1 17 6½ 3 3 2 1 17 8¾ 0 18 3½ 1 1 8¾ 1 4 10	£ s. d. 6 3 9 7 10 10 6 3 0½ 4 19 9½ 5 5 3 5 8 5½

It has already been explained why the rate of expenditure should appear lowest in the year 1881.

Comparison between the Otago Expenditure in 1875 and in 1883.—The Education District of Otago in 1875 included Southland, which is now a separate District. For the purpose of a fair comparison the figures for Otago in 1883, shown in the following table, include those for Southland. In the expenditure of 1875 is included the sum of £17,216 Os. 1d., which was raised from school fees and local voluntary contributions, and expended directly by the several School Committees.

Otago Expenditure in 1875 and in 1883 compared.

	Current Expenditure.			·	Total.	
Year.	Management and Inspection.	Maintenance of Schools.	Total Current Expenditure.	School Buildings.	Management, Maintenance, and Buildings.	Average Attendance.
1875 1883	£ s. d. 1,749 11 3 4,635 2 11	£ s. d. 39,418 19 1 82,532 6 7	£ s. d. 41,168 10 4 87,167 9 6	£ s. d. 25,000 0 0 22,097 4 7	£ s. d. 66,168 10 4 109,264 14 1	9,822 21,059
		Aver	age Cost per Sc	holar.		
1875 1883	$\begin{array}{cccc} 0 & 3 & 6\frac{3}{4} \\ 0 & 4 & 4\frac{3}{4} \end{array}$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccc} 4 & 3 & 9\frac{3}{4} \\ 4 & 2 & 9\frac{1}{4} \end{array}$	2 10 103 1 1 0	6 14 83 5 3 94	::

In 1875 there were one Board, one Secretary, and two Inspectors; in 1883 there were two Boards, two Secretaries, and four Inspectors.

Comparison between the Canterbury Expenditure in 1875 and in 1883.—The Canterbury Education District of 1875 included the present districts of North Canterbury and South Canterbury. I have obtained the information for 1875 in this statement from the report of the Canterbury Minister of Education for the year ending 15th October, 1875. On page 4 of the report is a