69 E.—1.

the estimated or previously-ascertained average attendance, and ranging from £19 per annum for an average of ten children to £5 for an average of twenty-four. When the average reaches twenty-five, this contribution from the residents ceases, and the teacher receives the full amount of his salary from the Board's funds on the ordinary scale. At the same time the Board increased the capitation allowance for salaries in such schools in favour of male teachers and certificated teachers. These arrangements place the teachers on a more satisfactory footing, both in regard to the amount of their salary (the sum of the Board's grant and the residents' contribution paid through the Board) and in regard to the certainty of enjoyment. At the same time, the opportunity was taken by the Board to revise its ordinary scale of salaries, so as to remove some irregularity in the rates of increase, and to reward by means of a bonus-payment special attention paid to instruction in the "class subjects" of the new regulations, care being taken to place, as far as possible, the teachers of the smaller schools in an equally favourable position as regards the total amount of their income with the teachers of schools in which the division of labour might be presumed to produce more efficient instruction in such subjects. It is a matter of regret that in carrying out these objects the narrow financial circumstances of the Board absolutely forbade that the total expenditure should exceed the limits of the sum previously paid in salaries. Where irregularities were observed in the scale a process of levelling up could not be adopted, and, in consequence, two or three of our most respected teachers have suffered a real reduction. It is to be hoped that the Board will ere long be in a position to direct a further revision of the scale of salaries, with the object of placing all teachers in as satisfactory a position as they would occupy under any Education Board in New Zealand.

Scholarships.—Attention having been called to the distribution of the special grant for scholarship purposes, the Board, about the middle of the year, appointed a Committee to consider the matter, and on their advice adopted, subject to the approval of the Minister of Education, a new set of regulations, drawn partly on the line of the recommendations of the teachers' associations throughout the colony—Under these regulations the classes of scholarships are reduced to two, restricted to pupils of public schools under thirteen and fifteen years of age respectively, the schedule of subjects for junior candidates being confined to those taught in primary schools, and not exceeding in scope the limits of the Fifth Standard requirements except in respect of two important subjects, which substantially cover the work of the Sixth Standard, and in respect of the inclusion of a very small modicum of New Zealand history—The course for the senior candidates embraces a wider field, and includes a considerable amount of secondary matter—The examination under the old regulations took place, as usual, in March, the examiners being a committee of gentlemen acting gratuitously in conjunction with the Board's Inspector—On the report of the examiners the following new scholarships were granted:—

Class.	Holder.	Age.	Residence.	Terms in Years.	Annual Value.	Tenable at
A	Colbert, James McShane, Teresa	11 10	Geraldine Geraldine Flat	1	£ 12 12	Geraldine School. Geraldine Flat School.
D	Morton, William A. Stonehouse, Richard	11 10	Temuka Geraldine	1	$\begin{array}{c} 12 \\ 12 \end{array}$	Temuka District High School. Geraldine School.
В	Fifield, Amy E. Townsend, Cecil Cooke, Montague P	$12 \\ 12 \\ 12$	Woodbury Timaru Winchester	$egin{array}{c} 1 \\ 1 \\ 1 \end{array}$	$egin{array}{c} 12 \ 12 \ 12 \end{array}$	Woodbury School. Timaru High School. Winchester School.
C	Hawke, Lucy Goldstone, Charles J	12 13	Winchester Pleasant Point	$rac{1}{2}$	12 37	Winchester School. Timaru High School.
	Bell, Alexander Meredith, Alice*	13 13	Geraldine Flat Hilton	$egin{array}{c} 2 \ 2 \end{array}$	37 17	Timaru High School. Waimate District High School.
D	Grant, Elsie Donaldson Bruce, Annie	13 14	Waimate Waimate	$egin{array}{c} 2 \ 2 \end{array}$	$\begin{array}{c} 12 \\ 12 \end{array}$	Waimate District High School. Waimate District High School.

Cecil Townsend has not yet complied with the conditions, and in consequence his scholarship remains in abeyance. Joan A. Macdonald, Eliza A. Pearson, and James McLean hold at the Timaru High School scholarships already gained in Class C. The first examination under the new regulations began on Tuesday, the 29th December, the date being altered to the last week in December or the first week in January to suit the convenience of successful competitors. The candidature has been disappointing, only fifteen presenting themselves for examination, as against thirty-four for the four classes in March. Apart from the provisions of the regulations themselves, some explanation of the reduction may be found in the shortness of notice it was possible to give, and in the fact that, the Waimate High School Board of Governors having adhered to the old classification, candidates for scholarships given by that body are no longer included in the list. The results belong to another year, but, as the payments to the successful competitors, together with the payments to holders whose terms have not yet expired, are not likely to exhaust the sum which the Board will be entitled to claim in respect of average attendance, it is contemplated to extend to the end of the year 1886 the tenure of a greater or less number of scholarships expiring during that year

DISTRICT HIGH SCHOOLS.—The two district high schools of Waimate and Temuka continue to give secondary instruction to pupils whose numbers, indeed, are small, but whose attainments, to judge by the Inspector's report, will bear favourable comparison with the attainments of pupils in

<sup>\*</sup> Also holder of Waimate High School scholarship.