parts of New Zealand, to see for himself that (excepting the aided schools) the rate of payment is much below what it is elsewhere. That this inferiority in remuneration is not attended by any corresponding loss of efficiency in the majority of Westland schools is highly creditable to the teachers; and is amply proved (irrespective of the local standard examinations) by the results of the scholarship, Civil Service, and teachers' examinations.

Scholarships.—There are two scholarships held under the Board's regulations, each of the annual value of £50. The amount is large; but, owing to the absence of any high school in Westland, the holders of scholarships are compelled to leave the district, and continue their studies in distant places at a great expense, which is by no means covered even by the liberal amount of the scholarship payment. In the hope of bringing about a better condition of affairs, by encouraging the Governors of the Hokitika High School to take action, the Board passed a resolution affirming the principle that its scholarships should be tenable at the Hokitika High School only; and, although up to the present time nothing has been done, the Board believes that more energetic action will shortly be taken by the Governors, and, if so, it may be practicable for the Board to offer double the number of scholarships hitherto awarded. The success that has attended the efforts to supply secondary education at Greymouth should encourage the governing body to enter upon the task for which it was created; and this Board would earnestly press upon the attention of the Minister of Education the justice of affording to Westland a fair amount of assistance towards the establishment of a secondary school. It is well known that many families have left the district chiefly on account of the absence of the means of higher education, and to check any further depletion, as well as to supply the evidently increasing demand for secondary education in this district, it is absolutely necessary that this long-neglected and important matter should receive immediate attention. In the hope of assisting to bring about so desirable a result, the Board has exercised its privilege of nominating a member of the High School Board by placing on it a gentleman who has been from the first a consistent advocate of the High School, and who is fully alive to the importance of an immediate attempt on the part of the Governors to justify their existence as a public body by at least laying the foundation of the institution over which they are supposed to preside.

SMALL SCHOOLS.—The number of small schools in this district is relatively greater than in any other part of the colony, owing to the very small population and the extensive area over which it is distributed. Instead of a majority of the schools being self-supporting, and many yielding a large surplus, there are in Westland only five schools that are not carried on more or less at a loss; while only three—namely, Kumara, Hokitika, and Ross—yield a surplus, out of which all the ordinary expenses of the Board must be met. The maintenance of very small schools in outlying districts appears to be regarded with disfavour in certain quarters; but the Board believes that it is one of its most important functions to diffuse the benefits of primary education as widely as possible, and especially to bring them within reach of those whose isolation from their fellow-colonists entails upon them abundant disadvantages and hardships without having the want of education for their children added to their number. The establishment of small schools is referred to in the Inspector's report, and with his remarks on that subject this Board cordially

RETURNS.—The returns already sent to Wellington, and the Inspector's report forwarded with this, will furnish all the details required for the information of the department.

I have, &c., GERHARD MUELLER, Chairman.

The Hon. the Minister of Education, Wellington.

GENERAL STATEMENT OF RECEIPTS and EXPENDITURE for the Year ending 31st December, 1889.

0.22.02.07.00		1001, 1000.
Receipts.	\pounds s. d. Expenditure.	£ s. d.
To Balance at beginning of year—	By Office staff—Salaries	164 3 4
On Building Account	638 14 0 Departmental contingencies	132 4 1
On General Account	264 3 10 Inspector's salary	175 0 0
On petty cash	2 5 0 Inspector's travelling expenses	74 18 0
Government grant for buildings	127 2 0 Examination of pupil-teachers	14 1 0
Government statutory capitation	5,358 15 0 Teacher's salaries and allowances (in-	** 1
Scholarship grant	71 5 7 cluding rent, bonus, &c.)	4,726 7 11
Inspection subsidy	175 0 0 Incidental expenses of schools	255 2 3
Deposit (tenders)	6 0 0 Scholarships—	200 2 0
Rent of water-race	4 0 0 Paid to scholars	87 10 0
Rent of Reserve No. 99	0 10 0 Examination expenses	10 0 0
Book sales	41 6 8 School buildings	- 20 0 0
Interest from fixed deposit	1 10 C New buildings	215 11 0
	Improvements of buildings	378 4 0
	Furniture and appliances	32 17 0
	Sites	90 6 2
	Plans, supervision, and fees	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
	Books	13 17 0
	School requisites	57 12 0
	Deposits repaid	4 0 0
•	Balance at end of year—	1 0 0
	On Building Account	35 16 6
	On General Account	216 1 10
	£6,690 12 1	£6,690 12 1
<u>*</u>		,500 12 1
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GERHARD MUELLER, Chairman. John Smith, Secretary.

Examined and found correct.—James Edward FitzGerald, Controller and Auditor-General.