the income derived from the capitation allowance, but the Board is unwilling to reduce the number of scholarships, as the reduction would, it is feared, have the effect of checking the wholesome spirit of competition which they encourage among the pupils of the public schools, besides operating injuriously upon the interests of secondary education.

Training of Teachers.—The report of the Inspector of Schools contains a full statement of the work of the training class. Since the last report the Board has selected the Wellesley Street School as the practising school to be established in connection with the training college; and an addition to the building is now in course of erection. The arrangements for the future management of the institution are not yet completed. The Board has received from Mr. F. J. Gladman, B.A., Superintendent of the Melbourne Training College, a most valuable report on the subject.

DISTRICT HIGH SCHOOLS.—None have been established under the Act. The Board had resolved to establish one in the Whangarei district, but this intention was superseded by the passing of the Whan-

garei High School Act.

School and Public Libraries.—A list showing the distribution of the grant for 1879 has already been furnished. Sixty-five public libraries and four school libraries participated in the grant for 1879. The public library returns are forwarded herewith. Forty-three libraries have become incorporated under the Public Libraries Powers Act, 1875. As yet only a few school libraries have been established. Of these the Inspector reports "there can be no doubt that their influence will be good if due care is used in the choice of books. For some years some of the public libraries have added to their catalogues books suitable for young people, and have thus in some measure supplied the want of school libraries. There can, I think, be little doubt that these libraries have, on the whole, done good by diffusing knowledge and helping to sweeten the settler's life."

Penny Savings Banks.—The Board has strenuously disapproved any proposal to establish Penny Savings Banks in the public schools of this district, and the printed regulations and other forms issued by the Department were accordingly not distributed. On this subject the Board quotes the following extract from the Inspector's report for last year. "To Penny Savings Banks it appears to me graver objections exist than that of their taking up the teacher's time. They will tend to generate habits of hoarding, which are very different from habits of thrift. They will tend to produce a love of money for

itself alone, and, as I believe, a feeling that it must be got, no matter how."

MISCELLANEOUS.—Information on the matters referred to in Circular No. 43 will be found contained in the Inspector's report. The rules and regulations of the Board have been carefully revised and reprinted, and copies are forwarded herewith, together with copies of the instructions adopted by the Board, and published separately, for the guidance of Teachers. The Board has also prepared and submitted regulations for the employment and examination of pupil teachers, which it was intended to bring into force at the beginning of the present year, but they have not yet received the approval of the Minister of Education.

J. M. CLARK, Chairman.

Auckland, 19th March, 1880.

General Statement of Receipts and Expenditure for Year ending 31st December, 1879.

Children Children Co. Transaction					,0.		
Receipts.	£	s.	d.	Expenditure.	£	s.	đ.
To Balances 1st January, 1879.—				By Office and Board—			
Maintenance Account	684	19	8	Office staff, salaries	1,110	16	8
Special Building Grants	2,262	10	2	Clerical assistance	194		
Grants from Government.—	•			Departmental Contingencies	1,511		
Statutory Capitation, (£3 15s.)	36,219	1	0	School Inspection—Salaries	941		
Grants to Committees (10s)	4,906		6	Travelling expenses	299		
Scholarships (1s. 6d.)	772		6	Examination of pupil teachers	116		
Inspection subsidy	500		0	Teachers' salaries and allowances	29,751		
Training Institution	2.000	0	0	School Committees for educational	,,,,,	•	•
Special for Buildings	25,690	0	0	purposes	5,174	10	2
Payments by School Commissioners	,			Scholarships—	-,		_
from Education Reserves	1,084	5	9	Paid to holders	805	0	0
Subscriptions and Donations for Build-				Expenses of examinations	119		
ings	*379	12	0	Girls' High School	2,771		
From Public Libraries Vote		10	6	Training of teachers	332		
Girls' High School Fees	1,599	3	4	Insurance of Buildings (Schools)	176		
Training Class Fees	20		0	School Buildings—			
Refunds	97	3	5	New Buildings	19,406	6	9
Rents and Sites	13	12	6	Enlargements and Improvements	3,963		
Books and Stationery	137		9	School Furniture and appliances	3,000	-0	•
				not included in preceding	2,533	19	11
				Purchase of sites	1,602	7	
				Plans, supervision, &c	1,242		
				Library Committees out of Public	-,	•	•
				Libraries vote	742	7	0
				Balance in Bank of New Zealand	1,800		8
	e77 #60	10	ч		.077 700	10	
	£77,522	10		_	£77,522	18	

J. M. CLARK, Chairman. VINCENT E. RICE, Secretary.

1st March, 1880.

I hereby certify that I have examined this statements of the Receipts and Expenditure of the Education Board of the District of Auckland during the year ended 31st December, 1879, that I have compared it with the books and vouchers of the Board, and that I find it to be correct, and that the expenditure has been in accordance with law.

L. A. Durrieu, Auditor.