at Renwick, Omaka, and Blind River, which will together require about £1,000, so that the Board may be considered to have commenced the year with a debit balance of £1,300 on the Building Account.

Scholarships.—The Board's scholarships, of which there are always three current, absorb £120 per annum, the holders receiving their tuition at Nelson College without fees. This concession on the part of the Governors of that institution (which costs them nothing) is the only benefit derived by the people of Marlborough from the liberal provision made originally for the inhabitants of both parts of the original Province of Nelson. As regards secondary and higher education, it is the opinion of this Board that full justice can never be granted to the smaller education districts until the whole of the land endowments for secondary education are nationalised, as those for primary education were twenty years ago, and the proceeds thereof distributed amongst the several districts on a population basis.

During the last session of Parliament a petition was presented to both Chambers from the smaller education districts asking for more liberal treatment on account of the disadvantages under which they are working, and which were fully set forth in the said petition. The Board is greatly surprised and disappointed that (notwithstanding that the petitions were recommended by the Parliamentary Committees to the favourable consideration of the Government) no notice whatever

appears to have been taken of the said recommendation.

BLENHEIM COMMITTEE.—A dispute about the appointment of some pupil-teachers at the Blenheim School occurred during the year, and upon the Board declining to give way in the matter the Committee closed the Blenheim Girls' School, having about two hundred children on the roll. Although fully convinced that this act of the Committee was both unjustifiable and illegal, the Board, with the view of putting an end to such an undesirable state of things as speedily as possible, agreed with the Committee, on a condition of their at once reopening the school, that a friendly action should be brought in the Supreme Court to test the case, the Board undertaking to pay the costs on both sides. This was accordingly done, and some months afterwards the case came before Judge Edwards, and was argued at length by the counsel on either side. The decision of the Court was in favour of the Board on all the points submitted. Perhaps the most important part of Judge Edwards's decision, as far as the interests of education throughout the colony are concerned, is that where he says, "The 74th section (of the Act) which defines the powers of School Committees, so far as they are defined, provides that subject to the general supervision and control of the Board, and to inspection by an Inspector, as in the Act provided, the Committee shall have the management of educational matters within the school district. The defendants have interpreted this provision as giving them power, in the event of a dispute with the Education Board, to close the school, and to keep it closed until they have forced the Board to accept their interpretation of their own powers. Such a pretension is, in my opinion, clearly unjustifiable, and if it were allowed would enable School Committees upon every trivial dispute with the Education Board to bring education to a standstill within the district. The answer to the first question submitted in the special case is therefore that, whether the defendants were right or wrong in the view they took of the invalidity of the appointments in dispute, they were not justified in closing the school." From the foregoing judgment it is evident that no Committee can legally close a school in consequence of a disagreement with the Board upon any subject whatever; and it seems a pity that such a common-sense view of the matter should have to be fortified by an appeal to law at a cost of £70. Though expensive to a Board not over-burdened with funds, this authoritative interpretation of the law is well worth its cost to the colony as a whole if it only has the effect of causing dissatisfied Committees to adopt some means of influencing the decisions of their Boards less disastrous to the cause of education than that resorted to by the Blenheim Committee in the case referred to.

The Inspector's report for the past year, which I enclose with this, will supply all the information required respecting the condition of primary education in the Marlborough District.

The Hon. the Minister of Education.

A. P. SEYMOUR, Chairman.

I have, &c.,

GENERAL STATEMENT of RECEIPTS	and Expe	NDI	TURE for the Year ending 31st December, 1896.
Receipts.			Expenditure. $\pounds$ s. d.
To Balance—	£s.	d.	By Office staff—Salaries 451 12 0
On Building Account	76 0		Departmental contingencies 284 16 0
On General Account	. 1,663 19	8	Teachers' salaries and allowances (in-
Sale of old building, Onamalutu .	. 13 10		cluding rent, bonus, &c.) 4,608 15 9
	. 6,559 13		Subsidies to aided schools 1,317 6 2
Scholarship grant			Incidental expenses of schools 460 15 5
	. 200 0	0	Scholarships 120 0 0
Payments by School Commissioners, for		:	School buildings—
primary education	. 100 0	0	New buildings 468 3 5
Other receipts—	00 0		Improvements of buildings 479 11 5
J. Gallagher (paid in error)			Furniture and appliances 58 4 7
Book sales			Sites 267 11 4
Refunds			Plans, supervision, and fees 49 15 2
Deposits on contracts		6	Books
Rents	. 1 11	5	Refunds 48 5 0
			Deposits returned 34 0 0 Balance—
		ì	
			Dr. Building Account £1,233 6 5 $Cr$ . General Account 1,474 13 9
			. 241 / 4
	£9,178 2	1	£9,178 2 1

JOHN SMITH, Secretary.