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on the rolls of the schools at the end of 1903 was 89, and the average attendance 69. The total expenditure was £682 15s. 9d., made up as follows: Salaries and allowances of teachers, £530 3s. 6d.; school furniture, requisites, &c., £69 7s. 10d.; passage-money of teachers and families, £5 7s. 9d.; inspection, £23 6s. 8d.; scholarships, £54 10s. All these schools are now conducted as public schools, and the teachers are paid at colonial-scale rates with a small addition to the salary to compensate for the isolation and the greater cost of living. At the principal school, Te One, the children were being taught in a temporary building, the old one being far too small to accommodate them. A new two-roomed building to accommodate about seventy children has now been erected.

As it was impossible to find a teacher who would undertake to teach both the southern schools, distant some fifteen miles apart, the school at Ouenga was without a teacher for the latter part of the year. The parents of the children had, however, carried on the instruction, and the examination by the Inspector

showed that they had been satisfactorily taught.

The pupil-teachers appointed last year are giving satisfaction. They were examined in practical and theoretical work at the end of the year, and have both been promoted to be second-year pupil-teachers. The plan of taking local applicants for these positions has so far been successful. The schools were examined in January of this year (1904). The Inspector's reports show that there has been a steady increase in efficiency all round; indeed, that much of the work was excellent and compares very favourably with that of children in New Zealand schools.

A special scholarship provided for the European children of the Islands is at present held by a boy at Nelson College. The ordinary Native-schools scholarships are available for the Maori children, and there are at present two girls and one boy holding such scholarships at Hukarere and Te Aute respectively.

## Education Reserves.

Table I. is a summary of the accounts of the School Commissioners, which are given in full in the Appendix.

TABLE I.—SUMMARY OF SCHOOL COMMISSIONERS' ACCOUNTS.																
		Income for the Year 1903.														
Auckland Taranaki Wellington Hawke's Bay Marlborough Nelson Westland Canterbury Otago	Balances		Receipts during Year.													
	1st January, 1903.	Primary Reserves.	Secondary Reserves.	Investments, &c.	Deposits.	Total Income.										
	618 1 11 496 11 3 2,405 2 5 161 10 6 46 13 6	£ s. d. 3,458 0 7 3,152 2 3 4,561 6 10 3,326 6 8 251 5 6 785 14 6 67 0 0 18,201 16 8 12,407 19 3	£ s. d. 787 13 7 495 13 4 773 18 4 798 19 2 38 15 0 325 17 9 213 4 6 	£ s. d. 101 19 6 6 15 7 119 8 9 48 3 7 4 17 9 4,203 1 3	£ s. d. 87 11 0	£ s. d. 4,590 3 11 4,272 13 1 5,951 5 2 6,578 11 10 451 11 0 1,158 5 9 486 15 2 20,575 7 11 19,597 14 9										
Totals for 1903 Totals for 1902		46,211 12 3 45,364 18 7	4,133 3 3 4,388 12 4	4,484 6 5 8,340 18 1	87 11 0 89 9 0	63,662 8 7 71,109 0 7										

	-	Expenditure for the Year 1903.																						
Provincial Districts.		Office Expenses and Salaries.		1	Other Expenses of Management			]	Paid for Primary Education.			Paid for Secondary Education.			Investments and Refunds.			Balances on 31st December, 1903.			Total.			
Taranaki Wellington Hawke's Bay Marlborough Nelson Westland Canterbury		£ 175 154 416 108 25 57 26 840	1 1 7 7 8 9 6 8 7 2 8 15	0 3 11 1 0 6 0	3 2 2 5	15 43 3 15 51	14 4 15 13 16 5 17		3 4 2 2	£,135,000,250,900,300,750,500,927	0 0 0 0 0 0	0 0 0 0 0	288 300	14 0 0 0 0 11 0 0	0 0 1 0 0 0	105 38		d. 0 0	£ 288 534 569 2,355 72 47 108 2,385 1,588	13 16 10 6 15	2 8	4,590 4,272 5,951 6,578 451 1,158	3 13 5 11 11 5 15 7	d. 11 1 2 10 0 9 2 11 9
Totals for 1903. Totals for 1902.		2,368 2,320			2,3		9						3,320 4,048		4	2,898 10,832					-	63,662 71,109	8	7