The expenditure for the year 1904 was £4,954 1s. 9d., made	le up as follows:—
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Salary of Commanding Officer Clerical assistance Travelling-expenses of Commandi		•••	£ 300 162 311	0 18		-		s. d
Capitation Arms, accoutrements, ammunit			1,241	12	6	77	4 1	75
&c Less recoveries	£2,293							
			1,764		6			
Challenge shield and shooting priz	zes		50	-	0			
Rent, &c., of rifle ranges			100					
Railway fares of cadet corps			70	0	11			
Contingencies			81	12	3			
						3,308	4	5
nstructors of teachers' classes	•••		296	3	4			
Railway fares of teachers atter	nding instru	action-						
classes, and of instructors	•••		574	16	7			
						870	19	11
						£4,954	1	9

RAILWAY PASSES, ETC., FOR SCHOOL-CHILDREN.

In 1904 £6,322 9s. 4d., made up as follows, was paid for conveyance of school-children—viz., railway fares of pupils attending public schools, £2,335 10s.; of pupils attending private schools, £1,094 10s.; of pupils attending district high schools, £926; of pupils attending secondary schools, £1,356; and of holders of technical scholarships, £442; grants for conveyance of children by road and water—to Auckland Education Board, £26; Wellington Board, £3 15s.; North Canterbury Board, £6 9s. 4d.; and Otago Board, £132 5s.

CHATHAM ISLANDS.

During the year 1903, there were six schools open at the Chatham Islands. Of these, a half-time school at the southern end of the island (Ohinemama) and the small school formerly conducted on Pitt Island were closed during the year 1904, and there remained, therefore, four schools in operation.

The children formerly attending the half-time school above referred to now attend the main school at Te One; but Pitt Island is still unprovided for, owing chiefly to the difficulty in getting a suitable teacher to face the isolation that attends the place, and the children living at Ouenga are still instructed by their parents.

The Chatham Island schools now comprise (1) Te One, the main school in the centre of Chatham Island; (2) Moreroa, a part-time school about five miles north of Te One; (3) Matarakau and (4) Kaingaroa, two small part-time schools worked with Moreroa and situated on the northern shore of the island. At Te One school there is a certificated teacher in charge, and under him are two pupil-teachers now in their third year. The other schools are managed by an itinerant teacher, the time spent at each school being proportional to the number of children. The total number on the rolls of all the schools at the end of 1904 was 93, an increase of 4 over last year, and the average attendance was 72, as against 69 in the previous year. The total expenditure in these schools was £679 19s. 10d., made up as follows: Salaries and allowances of teachers, £492 3s. 7d.; school furniture, requisites, &c., £52 16s. 3d.; passage-money of teachers and families, £21 10s.; inspection, £27 13s.; scholarships, 85 17s.

During the year a new school building was erected at Te One, and it is reported to be satisfactory in every respect. It is gratifying also to note that the attendance there shows an increase and is very regular.

The schools were inspected and examined in January of this year (1905). The Acting-Inspector reported very favourably indeed on their efficiency, as regards both the methods and the quality of the instruction given, and on the substantial improvement that had been effected during the year. It may be added that these schools are examined under the regulations for the examination of public schools now in force in New Zealand, and that eight certificates of proficiency in Standard VI. were granted, the average age of those to whom the certificates were issued being 14 years 3 months.