

land within easy distance of that city. The trust estate, if cut up into lots of a few acres each, would doubtless be attractive to such persons, it being for that purpose sufficiently far, but not too far, from Wellington. The land is bounded on three sides by the sea, and it would lend itself well to subdivision for seaside residences. The land has been in the occupation of tenants and producing rental from almost the commencement of the trust, and is now under lease which expires on the 30th June, 1908, at a rental of £200 per annum; all income has gone to accumulation except the sum of £991 paid during the years 1866 to 1876 for salaries of teachers employed at the Church Missionary Society's school at Otaki, the sum of £1,154 paid as law costs and legal expenses, and the necessary costs of management. (b.) Of accumulated capital, which amounted on the same date to £9,187 17s. 10d., and which is invested as follows: namely, on satisfactory mortgages, £2,550; on deposit with a responsible company, £5,500; and a sum of £1,137 17s. 10d., at that time unproductive, but £1,000 of which was invested a week after the date named at 5½ per cent., and £137 17s. 10d. is now in hand; so that the total annual income from investments may be taken to be £472 0s. 4d., less annual charges amounting to £40. The estate is therefore now producing a gross income of £672, reduced by expenses to £630 net.

Particulars of receipts and disbursements, so far as we have been able to obtain them, are given in Appendix E.

In reply to the question whether the original trust has been carried out, your Commissioners find that no school has been established and maintained at Porirua as promised to the Native donors at the time of the cession of the land, and as required by the Crown grant, and are unanimously of opinion that the trust has not been carried out, and its object has not been attained. A small but inefficient school was carried on for a short time before and after the issue of the Crown grant, and an effort was made by Bishop Selwyn to erect a building suitable for a college, which it was his great desire to establish at Porirua; but his effort was unsuccessful, as he failed to obtain the financial assistance from England on which he relied. From that time nothing has been done towards establishing a school at Porirua. The trustees have apparently always had in view the scheme of establishing a boarding-school or college, but have not been, in their opinion, sufficiently in funds, and, while looking forward to the future, have taken no steps towards the establishment of a day-school, which would probably have been within their means for some years past. Such a school is not now required, the want being supplied by a State Board school. The trustees, however, expended nearly £1,000, as above stated, in salaries of school-teachers at Otaki, and thus, although by an unauthorised use of their funds, aided in Native education, and showed that they regarded the Otaki trust as in close affinity with their own.

The trustees in 1898 moved the Supreme Court with a view to obtaining its sanction to a scheme for the application of their funds, to provide exhibitions for children in such Church of England schools as the trustees might select. This scheme was rejected, and subsequently in 1902 one was approved under which the rents and profits of the trust are authorised to be devoted to the maintenance of scholars, preferably of the Ngatitōa Tribe, at a Church of England school, established at Wairarapa, for the education of Maori boys, and the sum of £42 4s. 9d. has been paid for the maintenance and travelling-expenses of one scholar for one year. This was a Ngatitōa from the Croixelles Island.

We are called upon by Your Excellency to report whether the approved scheme just referred to gives effect to the original intention of the trust. Our opinion is that it fails to do so, inasmuch as the original intention was to establish a local school in the neighbourhood of Porirua, and, as we think, chiefly for the benefit of children of the Ngatitōa, Ngatiraukawa, and Ngatiawa Tribes resident in the neighbourhood, and, further, because the devotion of the rents and profits of this estate to the maintenance of a school at Wairarapa, or of scholars in such school, is hostile to the sentiment of the Natives of these tribes, a sentiment operating powerfully at the present time, but even more so at the time of the creation of the trust. As a result of this feeling the Maoris of Porirua and the West Coast absolutely refuse to send their children to that school.

Before proceeding to deal with any modification in this scheme which we may consider necessary, and with the scheme submitted to us by Natives, which is referred to in Your Excellency's Commission, and which embraces a combination of the Porirua and Otaki trusts, it is desirable that we should give the results of our inquiry as to the position of the Otaki trust and its administration.

OTAKI.

The Otaki lands were granted not to Bishop Selwyn and his successors in office, but to William Williams, Archdeacon of Waiapu; Octavus Hadfield, Archdeacon of Kapiti; and the Reverend Richard Taylor, of Wanganui, as trustees of the Church Missionary Society, a society with headquarters in London not amenable to the Church authorities in New Zealand, on trusts similar to those of the Porirua grant.

The trust now consists of, (a) the land comprised in the various grants aggregating 581 acres, valued by the Government Valuer in 1904 at £8,347; (b) of accumulated funds amounting in March last to £1,736 4s. 2d., deposited at call and bearing interest at 4 per cent.