In order to carry out the combination of these trusts legislative authority will be necessary to divest the existing trustees and create a new body of governing trustees. The question of who should constitute the new trustees has seriously occupied the minds of your Commissioners, and we have arrived at the opinion that the denominational character of the trust should not be destroyed, and consequently the body representing the Church of England—namely, the General Synod—should be the authority for appointing or providing for the appointment of this new body of trustees.

We think the number should be seven, of whom not less than four should be laymen, and one at least of the whole body should be a Native, a member of the Ngatiraukawa, Ngatitoa, or Ngatiawa Tribes.

A Commissioner or Auditor should be appointed by the Governor, to whom the trustees should be required to submit annually a report and statement of accounts, and such officer should have power to call for such explanations as he may require, in order that the same should be laid before the Governor with his remarks thereon.

We are of opinion that power to sell portions of the Porirua and of the Otaki estates might with advantage be given to the new trustees, in order to raise sufficient money for the erection of the necessary buildings at Otaki, as the loss of income from the portion of the estates sold would probably be less than the interest on the borrowed money.

In determining in favour of Otaki as the site for the school, Your Commissioners are mainly influenced by the facts that it is more centrally situated for the tribes specially interested, and undoubtedly more accessible to the greater number than any other available site; the situation is not only accessible, but healthy. Evidence before us shows that the number of Native children of school age on the West Coast south of Rangitikei is 730, of whom about four hundred are apparently receiving no education, and we have reason to believe a considerable number of these will seek it at Otaki. The town of Otaki is sufficiently advanced to be drawn upon for artisans qualified to teach the trades we have specified, who would probably give, for a reasonable payment, two half-days a week to the instruction of scholars in their respective crafts.

The subject of religious education is one of grave importance, as it is clear that it entered largely into the minds of the donors and of the recipients of the two trusts at their initiation. We are not satisfied that religious instruction was intended to be of such a character as to have the effect of excluding the children of persons who are not members of the Church of England. While, therefore, feeling that religious instruction should not be excluded from the school, we are of opinion that no attempt should be made to influence the scholars towards any Church or particular denomination of Christianity, except on the request in writing of the parent or guardian of the child, or, if there be no parent or guardian, then on the written request of some person as nearly as the circumstances allow occupying the position of guardian, and that the religious belief of any child applying for admission should not be a matter for consideration on the question of eligibility.

WAIKATO.

Of the Waikato grants five are made to Bishop Selwyn, Bishop of New Zealand, and his successors, of certain blocks of land comprising 3,038 acres, in trust for the use and towards the support and maintenance of schools which were already established under his superintendence, so long as religious education, industrial training, and instruction in the English language shall be given to the youth educated therein and maintained thereat. Two of the grants to Bishop Selwyn comprise lands near the mouth of the Waikato River forming one property known as Kohanga. Two others comprise lands near Ngaruawahia, known as Hopuhopu and Pepepe, and one is a grant of land at Puniu, a mile and half from Te Awamutu. Schools existed on or in the locality of the several trust lands at the time of the issue of the grants. At Kohanga there was a school conducted by the Rev. Mr. Maunsell, at which about two hundred boys were educated. They were taught farming, and there was a flour-mill erected on the property. At Hopuhopu and Pepepe there was a school under the management of the Rev. Mr. Ashwell. At Puniu no school was established, but there was one at Te Awamutu, in the immediate neighbourhood, conducted by the Rev. Mr. Morgan on the Church Missionary Society's estate, to which Puniu was considered an adjunct. None of these schools, though flourishing, were self-supporting. The children to a great extent grew their own food, but the clergymen in charge of them were paid by the Church Missionary Society, grants-in-aid being received from the Government. Waikato war was the ruin of these schools. The Upper Waikatos were driven into what is known as the King-country, and held aloof until recently from all missionary influence. The Rev. G. Maunsell states in his evidence that in 1863 the Waikato war had the effect of breaking up these schools, and no attempt was made to restore them until 1893. The Government grants of money ceased early in the history of the trust, and the schools could not exist without external help. In the Upper Waikato children could not go to school without the consent of the Maori King, and this was withheld. Consequently the schools were closed in 1864. Bishop Selwyn took some of the boys to St. Stephen's School in Auckland, an institution which existed for the education of Maori boys under a similar trust.