

granted lands or at least in the district of Waikato. The schools established by Bishop Selwyn are now under the superintendence and control of trustees appointed by the General Synod of the Church of England in New Zealand, and prominent amongst them is the school at St. Stephen's, in Auckland. In consequence of the closing of the schools in the Waikato under the circumstances already mentioned, and the small amount of income derived from the estates, the trustees have applied all their available funds for the maintenance of boys from the Waikato at St. Stephen's. In this institution boys are taught, besides English up to the Sixth or Seventh Standard, physical drill and carpentry, and some are apprenticed to trades, being allowed to make their home at the school for a time during their apprenticeship. The Government nominate to it some boys every year, paying at present £20 per annum for each. Thirty such boys are now in the institution, in addition to forty mainly supported by trust funds. Your Commissioners having visited the school consider that the boys are carefully looked after, and the institution altogether is of a very satisfactory character. Your Commissioners are therefore of opinion that in view of their financial position the trustees, while not carrying out the letter, carried out the spirit of the trust. The St. Stephen's institution is in many respects conducted on similar lines to the proposed school for Otaki.

With regard to the future administration of these trusts: Your Commissioners have had before them a scheme submitted on behalf of Natives of the Waikato, a copy of which will be found in Appendix P, which appears to us of too visionary a character to be seriously entertained.

Having in view the financial position of the trustees, we are not prepared to propose any scheme which would be a more effective carrying-out of the trust than the practice of sending boys to St. Stephen's. If sufficient funds could be made in any way available, a school on similar lines to St. Stephen's, established at some point in the Waikato, say, at Ngaruawahia, would, in the opinion of your Commissioners, be more satisfactory.

A suggestion has been made, supported by many Natives, that by a combination of the Waikato trusts, aided by Government grants, sufficient funds could be provided for the support of a school at Waikato; but the consideration of such proposed combination does not appear to come within the scope of our Commission.

Your Commissioners think that the General Synod should secure representation of the Waikato tribes upon the trust.

OTAWHAO.

This grant is to certain persons described as trustees of the Church Missionary Society and to their successors of a parcel of land at Otawhao, containing about 173 acres, and is dated the 15th October, 1850. The land is granted "upon trust to permit the same to be used and occupied by the said Church Missionary Society in and as a mission station, or as a site for a place of worship, or for schools, or in other like manner for purposes connected with the religious and moral instruction of our subjects inhabiting these islands, and of other persons being children of poor and destitute people inhabiting any islands in the Pacific Ocean." The trust is therefore in its terms different to that of any other grant which has been under our consideration. The present trustees are members of the Mission Trust Board, and have administered the estate since 1881.

The actual area within the boundaries is, we are informed by the trustees, 184 acres. It is in evidence that a portion of the land covered by the grant had been purchased by the society in 1839, and paid for in horses, blankets, and tobacco. However this may be, the grant restricts the right of the grantees to the use and occupation of the land for the specific purposes set out.

A mission station and school were established, maintained, and flourished until the disturbances of 1863, when the school was broken up and the mission station abandoned. From the abandonment of the mission station and the closing of the school up to last year all income was expended in the maintenance of clergy of the Native race; since then in the education of Maori candidates for the ministry of the Church of England at a theological college near Gisborne.

The trustees contend that in using their funds for this purpose they are carrying out the trust, as it is not a trust of the character of those granted to the Bishop for schools so long as religious education, industrial training, and instruction in the English language is given, but is for purposes connected with religious and moral instruction only. Your Commissioners consider that in doing as they have done they are acting within the spirit of the trust; but it is open to question whether the seminary should not be on the trust estate.

In order to obtain an income the trustees have let and leased most of the trust lands, and particulars of the several tenancies will be found in Appendix M. They have also entered into an engagement for sale to the Diocesan Board of 5 acres adjacent to the church for a parsonage for the sum of £100, and for the conveyance of the site of the church and graveyard to the Church authorities; but their power to do so is open to doubt. We think that power to carry out these engagements should be given them.