

At present the deficiency in the funds amounts to from £20 to £25 per quarter. If the full amount of the allowance stipulated with the Provincial Government were paid, the school funds would then be about sufficient to supplement this deficiency, under the present arrangements, by which the manager draws no salary from the institution. The last inspection of the school was by Mr. Taylor, about twelve months ago. The estate has been conveyed to a Board of Trustees. The management is vested in a Board of Management appointed from year to year by the Conference, and including some of the trustees.

Mr. *John Williamson*, being duly sworn, states: My name is John Williamson, and I am the Superintendent of the Province of Auckland. I am one of the trustees of the property known as the Three Kings, and I have a general acquaintance with the history of the institution maintained there.

I have heard the evidence of Mr. Buller, that there are "more than twenty destitute European children" received into the institution at the instance of the Provincial Government, in respect of whom a capitation allowance of £10 was made, subsequently reduced to £5, in addition to some four or five Half-caste children, in respect of whom no Government allowance is made. I have also heard him state that at present, partly in consequence of that reduction, there is a quarterly deficiency; but I cannot state whether it will be within the power of the Provincial Government to make any additional payments upon this head. The report of the Committee of the Provincial Council of last Session was unfavourable in respect of two of the four institutions which came under their notice, one of which two was that at St. Stephen's. The Government much regretted the necessity under which they were placed, for financial reasons, of reducing the allowance made to them. The future action of the Provincial Government, as to these contributions, is still under their consideration. The amount at the disposal of the Provincial Government will, I think, be sufficient to pay, at the full original sum, to the two institutions favourably reported on. The amount of contribution to the two institutions not favourably reported on, viz., St. Stephen's, and St. Mary's, North Shore, is yet under consideration. There is, at present, no Provincial inspection of these schools, but the relieving officer of the Province had instructions to examine them before he gave evidence before the Committee of the Provincial Council, but his inquiry extended only to the general management and conduct of the schools, and did not include the question of education. There is a general stipulation in reference to the destitute children placed at these schools, that they shall be educated as well as maintained. The inspection of the General Government Inspector did include the management of the European destitute children. In saying there is no Provincial inspection, I do not speak of inquiry in any cases of complaint. When such occur, inquiries have been always made.

Extract from evidence of the Rev. *James Buller*, taken on 31st March, 1869.

I have no records from which I could furnish any accurate statement of grants of public money made to this institution since its foundation. I will give a rough estimate of these amounts, and of the mode in which they have been expended. I will also give a return of receipts and expenditure of the institution for the last three years, being the time during which it has been in my charge.

I have now read the 7th paragraph of the report of the Committee of the Auckland Provincial Council, in last Session, on certain endowed institutions. The lease of part of the Three Kings estate is for ten years, and not, as there stated, for twenty-one years. I have not previously seen the report in question. I arrived in Auckland in June, 1866, from the South, and, in consequence of the unsatisfactory state of the school, the then present staff were immediately displaced, and Mr. Arthur was placed in charge. He had been there about six months when Mr. Rolleston inspected the school, and furnished a report, to which I felt myself obliged to demur, and in consequence of that a second inspection, the report of which was favourable, was held by Mr. Taylor about June following. Mr. Arthur was there for two years, till June, 1868, when Mr. Wallis went to reside there. The reason for this change was solely financial. Miss Black was appointed matron in the early part of 1867. I have read the statement that £100 a year is claimed by me on account of the mission, as interest on advances made to the institution. I was not examined before that Committee, being at the time absent in Sydney. The debt to which reference is made consists of the advances of mission money, as recorded in my former evidence before the present Commissioners. I would explain that the term "mission" was formerly understood to include all our clerical operations in New Zealand, but for some years past we have made a distinction between the English department and the Maori stations. The term "mission" is now understood to refer only to the latter. In October last, when the estate was leased to its present occupant, I felt it my duty, as the official representative of the Missionary Society, to prefer, in the Board meeting, some claim on behalf of our missionary work, in consideration of the sums of money heretofore expended by the Society on the Three Kings institution, and the more particularly, inasmuch as the annual grant from the Missionary Society for the support of our Maori mission was being yearly reduced, and is to cease altogether in 1870. The Board of Management were of opinion that a portion of the rent, say £100, should be so devoted; but not having themselves any power thus to appropriate the revenue of the estate, it was left for the decision of the Trustees, who have not since that time had a meeting. We estimate that not less than £4,000 had been expended on the estate by the Mission. This annual payment of £100 was not supposed to be in liquidation of that debt. The £4,000 includes everything that was spent upon the estate by the Mission, and I think the Mission has a fair ground of claim on this ground against the estate.

The annual grant by the society to the New Zealand Mission is a gross sum, and is appropriated by the annual district meeting, composed of the ministers of the district and of lay representatives. All sums expended by the Mission in support of the Three Kings institution I consider in the light of advances, and that, equitably, they should be recouped to the Mission. Private and voluntary