

of Inspectors on Native Schools, page 31. The sum mentioned in Mr. Russell's report, of £167 17s. 11½d. is included in the above sum of £356 5s. 2d. Since 1859 there has been no school or scholars on the estate. A promise was made to the Natives by the Governor, at the time the land was given up for the endowment of a school, that the Government would be at the expense of erecting a school upon the property, and renewed by Sir George Grey, on his first visit to Hawke's Bay during the later period of his government of New Zealand, and also referred to by the Government of the Colony in communication with the Bishop of Wellington. The large amount I have expended necessarily in improving the property, with the view to making a permanent income, has prevented my attempting to erect a school. There were, in the first instance, temporary buildings at Te Aute for a school, wherein a school was opened in October, 1854, and closed in March, 1859. There were, in 1854, twelve scholars for three months; in 1855, ten during the year; in 1856, fifteen during the year; in 1857, thirteen during the year; in 1858, eight during the year; and in 1859, four for six months. The small number of scholars was due to several causes—first, the roughness and want of accommodation for a boarding-school at starting; second, to the hard work necessarily entailed on the scholars; third, to the high wages offered by the settlers in the neighbourhood for similar work; fourth, the excited state of the Native mind on the land question, which led to the Hapuka feud. The school was closed in 1859 from want of funds, in addition to a heavy loss by fire, and the total destruction of the new barn and wool-shed, containing a large quantity of grain, stores, and implements. I was then just on the point of building a school-house, the timber for which was mostly cut and on the ground. At the same time a change in the Government system of grants-in-aid took place, and seeing it impossible for me to continue the school under the new system, I used the most of the timber for the erection of the new barn and wool-shed, which were imperatively wanted. I had commenced the school, trusting to the terms of Sir George Grey's original charter for Native education, by which a certain allowance of at least £300 a year was placed at my disposal for the improvement of the school estate and for the current expenses of the school, including the maintenance and clothing of scholars and for payment of the salary of the schoolmaster during part of the time. Under the new system framed by the Government about 1858, and which came into operation during 1859, only a certain allowance for each scholar, amounting practically to about £8 per head, was at my disposal. This sum was found totally insufficient for the mere maintenance and clothing of the scholars, leaving the deficit, in addition to the cost of a schoolmaster and suitable buildings for their accommodation, to be provided otherwise. I therefore found it expedient to close the school for the present, and to confine my attention to the improvement of the property, in order that it might at a future date better subserve the objects of the grant. I examined the accounts rendered to Mr. Henry Robert Russell on the occasion of his making a report on the Te Aute School, and can certify they are correct. The balance I have mentioned as appearing on the accounts rendered to the Trustees since 1861, were simply the balances due at the termination of each account. The balance mentioned as appearing in the account ending in December, 1867, was the sum (exclusive of the balance due on the building account) then due to me from the estate. If the accounts furnished to the Bishop shall be found not available, I will promptly furnish to the Commissioners a copy of them. I believe they are in the hands of the Secretary to the Wellington Synod. The condition of the property when I first took it in hand was principally ferny. There were originally (in 1854) 250 ewes supplied to stock the land: they are accounted for in Mr. Russell's report. Out of the 250 and their increase I was required in 1859 to deliver to the Waikato School institution 100 ewes. The flock reported by Mr. Russell in 1862 as numbering 1,448 was comprised of 702 ewes, 291 wethers, 216 ewe-hoggets, and 219 wether-hoggets. They have since increased, till at the mustering of 1868 there were returned—ewes, 3,300; wethers, 1,029; lambs, 1,808; making in the gross, 6,137. As the property was originally placed in my hands, it was principally covered with fern. The sheep were placed on the Block No. 4, Reg. xiv.; the rest of the property was useless, with the exception of 4,000 acres, for which Mr. Robert Pharazyn paid me at the rate of £4 3s. 4d. per annum for five years, being after the rate per acre charged by the Government, viz., from 1854 to 1858 inclusive, after which time Mr. Pharazyn ceased to occupy the block. It remained unoccupied till the middle of 1862, when Mr. James Smith paid me at the rate of £5 per month for seven months. In 1863, finding it impossible to occupy the property profitably without enclosing it, I commenced the boundary-fence, and occupied it at the same time with sheep. The fence was commenced in 1863. In January, 1859, 100 acres of the land were leased to Mr. Pharazyn for ten years, at a rent of £10 per annum, upon condition that at the end of the term he should be allowed for all improvements made by him thereon at a valuation to the extent of £200. The rent is paid annually. This lease was granted by arrangement made by the Bishop of New Zealand, previous to the property being handed to the Trustees. The improvements effected on the property will amount to much more in value than £200 at the end of the term. In the accounts of the estate furnished to the Trustees I have made no charge for management. I had an overseer working under me from 1860 to 1865, both inclusive, whose salary has been charged in the accounts. Since then I have had a foreman employed. The Government charge for land of that character, at the time when I took charge of it, would have been ½d. per acre. I would not like to hazard an opinion as to the present annual value of the property. I have intimated to the Trustees that, whilst I have no wish to force them to deal with the property summarily, I should be glad to be relieved of the management, which is a considerable tax on my time. Complaints have been made by Native chiefs of there having been no school built there, and expressions of disappointment have been made that the money promised by the Governor has not been forthcoming for the purpose. My dealing with the property has been under a power of attorney from the Trustees. There were some cattle occasionally on the land during the summer months, before it was laid down in grass, for the purpose of destroying the fern and spreading the grass-seed, but they belonged to a different fund. Any possible benefit derived to the cattle has