

17. What is the amount of balance due by the school estate to you?—The balance at 31st December, 1861, is as per account current £867 13s. 7½d., and the balance upon Building Account £167 17s. 11¼d.; in all £1,035 11s. 6½d.

I beg leave to append the various accounts of his intromissions which have been handed to me by Mr. Williams, and I also add a valuation by myself of the improvements and property belonging to the institution, with a general view of the receipts and the result of their expenditure, which I believe to be substantially correct.

So far as I can judge, and I have had considerable experience in forming and improving a sheep-station under circumstances nearly similar to those which effected the improvement of the Te Aute School Estate, the expenditure has been on the whole very judiciously made.

It appears to me that had Mr. Williams been provided with sufficient capital for improving and stocking the property when it was first placed in his hands, a very different result would have been shown. It will be observed that the stock of ewes to commence the flock was only 250.

Taking into consideration the want of adequate funds to provide suitable buildings for the school and scholars and for the proper clothing and maintenance of the latter, and also the unsettled state of the Native mind, owing to their intestine feuds at that time, I think that Mr. Williams exercised a sound discretion in closing the school in 1859. No change of circumstances since has enabled it to be reopened with any better chance of success, nor does there appear to be any immediate prospect of doing so without Government aid, when the heavy debt owing by the institution to Mr. Williams, and which of course must be provided for, is taken into account.

To enable the school to be started again, which is most desirable for the sake of the rising generation of Natives in this district, who are growing up in comparative ignorance, I would venture respectfully to suggest that the Government should erect the necessary buildings for the school, schoolmaster's residence, and accommodation of the scholars; that it should further pay £150 a year for teacher's salary, and grant the usual sum per head for scholars, leaving the difference of expense to be provided by the trustees of the institution, without touching any of the surplus income from the stock of the estate. This ought to be devoted exclusively for, say, five years to the paying-off the present debt to Mr. Williams, and to furnish means for the necessary fencing and laying down additional land in English grass as fast as possible to provide for the increase of the sheep to five thousand at least.

By the adoption of such a system of improvement, the free income from the estate ought at the end of the fifth year to be not less than £1,000 a year.

In return for such a grant and temporary aid as I have suggested, the Government might stipulate with the trustees to be relieved of all charges on account of the institution at the expiry of the period above named. In short, it would simply be a return to the old system, which reserved a certain amount of the annual grant for the express purpose of building schoolhouses and starting the institutions with the view of making them ultimately self-supporting.

This appears to be the best policy for Government to pursue.

H. R. RUSSELL.

APPENDIX TO REPORT.

Valuation of Stock belonging to the Te Aute School Estate and of the Improvements done on the Property.

Mr. Williams's weatherboarded house, overseer's house, barn and woolshed 40 ft. by 30 ft.,	£	s.	d.	
shepherd's cottage	899	0	0	
255 acres laid down to English grass, of which 55 have been ploughed, divided into six paddocks, and substantially fenced	1,912	10	0	
Deduct original value of land	127	10	0	
	£1,785	0	0	

N.B.—This was originally fern land yielding nothing to the institution, but is now covered with rich pasture and capable of feeding 1,000 sheep. I am not overestimating its value at £7 10s. per acre, including fencing.

	£	s.	d.	£	s.	d.
Stock-yard, milking-shed, &c.	50	0	0			
Farm servant's house	40	0	0			
Sheep-yards, washing-pen, &c.	60	0	0			
				150	0	0

Implements—viz.,

Bullock dray and cart	35	0	0			
Ten working-bullocks and gear	200	0	0			
Plough and roller	15	0	0			
Threshing-machine	30	0	0			
Miscellaneous implements and tools	20	0	0			
				300	0	0
Grass-seed on hand to be sown on fresh lands	300	0	0			
Sheep { 702 ewes at 20s.	702	0	0			
291 wethers at 16s.	232	16	0			
216 ewe hogs at 15s.	162	0	0			
219 wether hogs at 10s.	109	10	0			
20 rams at 50s.	50	0	0			
				1,256	6	0
				£4,690	6	0