- 2. A Dwelling-house, weather-boarded and lined, having Outhouse and Garden attached for the resident Minister.
 - 3. A similar Building, overlooking the School, for the Schoolmaster and his family.

4. A small, weather-boarded House, intended for the Foreman of the Works; but, as there is now no such person on the Establishment, this building has for some time been unoccupied, except as a Storehouse, and is now somewhat out of repair. All the other buildings are painted white, and

in good condition, except the Schoolhouse, which has not yet been painted.

5. A Flour Mill, worked by water power, with Dwelling-house for the Miller, of the estimated value of £400 has been by judicious management erected at the money cost of £200—an agreement being entered into with the Miller, whereby he undertakes to defray the whole cost of erection out of the proceeds arising from the sale of flour: at the same time supplying the establishment, and remunerating himself for cost of labor. The flour ground at this Mill is of excellent quality, and is sent to the town of Wanganui for sale at remunerating profits. With respect to the ground attached to the School, it consists of 300 acres of excellent Land, purchased from the Government by the Wesleyan Society, and is secured and subdivided by good ditch and bank fences. About 70 acres are under cultivation—of which, 6 are in Wheat, 4 in Potatoes, and the remainder laid down in Grass. The Estate supports the following Stock:—20 Horses, 50 Head of Cattle, and 100 Pigs. With respect generally to the Discipline, Management, and Efficiency, of the School, we beg

to observe that the Kai Iwi Seminary only came into full operation 9 months ago, -that 65 Scholars have been enrolled on the Books since its formation,—that, of these, 19 have left, 5 of whom have since died. There were present at the period of our Inspection 46 Scholars between 5 and 30 years of age, the average being 12 years. The schoolmaster has a salary of £150 per annum, and was assisted by a Native Teacher from Auckland (now discontinued), who received £20 per annum and

The school duties, as formerly stated, are conducted in a manner highly satisfactory, according to the Glasgow system of Education, and reflect great credit on Mr. Allsworth, the Schoolmaster. The hours of tuition are as follows:—From 6 in Summer, and 7 in Winter, until 8, is occupied in instruction; 8 to 9, Breakfast; 9 to 12, Instruction; 12 to 1, Dinner; 1 to 4, Manual and Agricultural Labor; 4 to 5, Washing, Clothing, &c.; 5 to 6, Tea; 6 to 7½, Instruction; and at 8 o'clock in Winter, and 9 in Summer, the Schoolars retire to their Dormitory, which is divided into Bunks, each containing two Boys, who have 2 Blankets, Bolster, and Mattrass, between them.

The Farming operations are carried on with the usual European agricultural implements,

including a Thrashing and Winnowing Machine.

Finally, we beg to observe that, on inspecting the books, we find that the whole Expenditure of the establishment, with the exception of the stipend to the resident Minister, is borne by the General Government, and that there appears due a Balance of £120 2s. 3d. against the Institution, owing in a great measure to the expenses incurred in the erection of the Mill; but this debt will ultimately be more than liquidated by the profits arising from the sale of the flour aforesaid.

We have, &c.,

The Hon. the Colonial Treasurer, Auckland.

D. S. DURIE, R.M., T. HARPER, J.P.