

more blocks within the province, as an endowment for a school of agriculture. . . . That such endowment be vested in a Board of Agriculture of not less than five nor more than eight gentlemen, to be appointed by the Provincial Council.”\*

The Provincial Council followed up the intention set forth in that resolution by electing trustees on the 15th June, 1875; but for some unexplained cause the trustees then elected never entered upon their duties.†

By “The Canterbury Educational Reserves Sale and Leasing Act, 1876,” the Superintendent was authorised to convey the reserves (numbered 1574, 1575, and 1576) to the Canterbury College, the body incorporated under and by virtue of “The Canterbury College Ordinance, 1873,” to be held by the said College upon trust for the several purposes respectively declared of and concerning the same in the Crown grants of the said reserves. In November, 1876, the Board of Governors appointed a committee to consider the best means of administering the trust.

At the end of 1877 and the early part of 1878, the Board purchased 215 acres of land at Lincoln, and designs were accepted for the first portion of the present buildings, to accommodate twenty students, and the erection of the building was put in hand. Further land was subsequently secured, making a total of 662 acres and 38½ perches, at a cost of £17,711 16s. 8d., or an average of £26 14s. 11d. per acre. Although the price appears high, we think the Board of Governors is to be congratulated on having secured so suitable a farm, combining as it does a great many different varieties of soils, as well as being so centrally situated. The cost of the land was provided out of the proceeds of the sale of portion of the endowment, 40,089 acres having been sold up to the present time.

A perusal of the accounts of the endowment (Appendix A) supplied to us by the Registrar shows that the endowment has also been charged with a sum of £7,954 as a contribution towards the Canterbury College buildings—viz., School of Art, £4,182; and College, £3,772. The Board of Governors appears to have considered that the proviso to section 9 of “The Canterbury Educational Reserves Sale and Leasing Act, 1876,” which is as follows, “Provided always that the College may from time to time, with the consent of the Governor in Council, invest any part of the said moneys, not exceeding the sum of ten thousand pounds, in the purchase of sites and the erection of buildings for the purposes of the said College,” gave it power to allocate the amount for the purpose; but we consider that the language of the section referred to will not bear the interpretation put upon it, and that the transaction should be treated as an investment, and provision made for the repayment of the money, and for payment of interest on it until repaid. The terms of the trust, as set out in the Crown grants—viz., “for the purpose of an endowment for a school of agriculture”—are so distinct that no doubt is left in our minds that it is clearly a violation of the trust to apply the funds of the School of Agriculture in the manner above stated, and we consider that steps ought to be taken to have the money refunded, with interest. Assuming that the Board were correct in their interpretation of the Act, we consider that the principle of charging the £10,000 to the several endowments in proportion to the area of land sold was unjust to the School of Agriculture, seeing that nearly the whole of the land sold at that time had been from the agricultural reserves.

We have obtained statements from the Registrar of the receipts and expenditure up to the 31st December, 1887. The accounts are kept under three heads—viz., (1) Capital or Endowment Account (see Appendix marked A), (2) Buildings Account (see Appendix marked B), (3) Current or General Account (see Appendix marked C).

The Endowment Account shows that, after providing the cost of the land for the farm, £17,711 16s. 8d., and the contribution to the Canterbury College buildings above referred to, £7,954, there was a credit balance on the 31st December, 1887, of £52,700 0s. 10d., the investment of which is producing about 5¼ per cent. per annum. The unsold portion of the reserves is bringing in a rental of £970 per annum.

The Buildings Account (Appendix B) shows a total expenditure of £34,043 11s. 7d.: of this amount £5,954 9s. 5d. has been transferred from the General Account, leaving a Dr. balance of £28,089 2s. 2d. The Board raised a loan for general purposes of the Canterbury College, and applied £28,000 of it to the Building Account of the School of Agriculture. Interest at the rate of 7 per cent. on this amount is charged to the school.

The General Account (Appendix C) shows the receipts from rents, interest on money invested, students' fees, sale of farm-produce, &c., and the expenditure for general maintenance of the school and farm. The account shows a Dr. balance at the 31st December, 1887, of £2,588 18s. 8d. There is a charge in this account of £3,650 as a contribution to Canterbury College—viz., £525 for one year, £500 per annum for four years, £250 per annum for four years, and £125 for the year 1887. This seems to have been an arbitrary sum allocated by the Board towards the expenses of the Canterbury College, which amount we consider to be out of all proportion to the work done by the College for the benefit of the School of Agriculture.

The accounts kept at the Registrar's office do not show the working of the farm proper, and we accordingly applied to the Director, who furnished us with the account appended hereto (marked D). After allowing liberally for the cost of permanent improvements and charges for purely educational purposes, giving credit for the estimated value of the stock, implements, and growing crops, and charging a fair rent and a reasonable amount for management, we find that the account shows a deficit of £5,824 for the ten years from the date of the purchase of the farm to the 31st December, 1888. Considering that we have eliminated every item that could fairly be charged to education and permanent improvements, and have not charged anything for interest on the cost of implements, stock, &c., we consider that the farm should have been made to pay expenses and a reasonable amount for rent and management. Owing to the manner of grouping the items in the accounts it has been very difficult to arrive at the cost of the permanent improvements; but the amount appears to us to have been exceedingly large.

\* Proceedings of P.C., Sess. XXXVIII., page 69.

† Proceedings of P.C., Sess. XLII., page 180.