

you the sanction of Her Majesty's Government of the measure therein proposed for the advancement of that object, by which a sum of at least £6,300 a year is to be devoted to it, and in the event of deficiency from other sources, the amount would be made up from the fund available for Native purposes under the provisions of the Constitution Act.

I have, &c.,

(Signed)

NEWCASTLE.

His Excellency Sir G. Grey, &c. &c.

#### ENCLOSURE No. I.—CHURCH OF ENGLAND.

Auckland, New Zealand,

May 12, 1853.

My Lord,

It having become necessary for me to recommend for the sanction of Her Majesty's Government the mode in which I propose that the public funds reserved in this country for Native purposes should be applied, I have the honor to state that I am prepared to recommend that the sum of three thousand five hundred pounds per annum should be placed at the disposal of the branch of the Church of England established in New Zealand, for educational purposes, and for the support of schools in connection with that Church, which are already established, or may hereafter be established in New Zealand, provided the funds so placed at the disposal of the Church of England, are applied in conformity with the principles stated in the enclosed memorandum.

When your Lordship has fully considered the plan thus proposed, I should feel obliged by your informing me if it meets with your approval, and if you are willing to accept the proposed annual grant on those terms.

I have, &c.,

(Signed)

G. GREY.

The Right Rev. the Lord Bishop of New Zealand.

#### MEMORANDUM.

1. New Zealand shall be divided by the Bishop of New Zealand into convenient districts for educational purposes, connected with the Church of England.

2. All schools in such districts which receive any portion of the Government grant shall be conducted as heretofore upon the principle of a religious education; industrial training, and instruction in the English language, forming a necessary part of the system pursued in such schools.

3. The schools which are aided from the Government grant may be of three kinds—

1. Diocesan Colleges.
2. Central Schools.
3. Primary Schools.

4. Each Educational District shall have at least one Central School, which is to be made, in as far as possible, the means of multiplying Primary Schools in that district, which shall be regarded as being connected with the Central School to which they belong.

5. The general rule being, that the most promising candidates from the Primary Schools shall have the option afforded them of being received into the Central School with which they are connected.

6. In like manner the most promising scholars from the Central Schools will be eligible for election as pupils into the Diocesan College of the diocese in which they are situated, where it is hoped that ultimately it may be found practicable to qualify Native Teachers for Holy Orders.

7. Maori or half-caste children, or the children of inhabitants of Islands in the Pacific Ocean, as well as orphans or destitute children of European parents, are to be eligible for admission into any