

10. The lessee shall not assign, or sub-let, or part with the possession of the whole or any part of the lands, without the consent in writing of the lessor previously obtained. No fee shall be charged in respect of any such consent as aforesaid.

11. Every or any valuation or arbitration shall be made by two indifferent persons, one to be named by each party interested; and in case of their disagreement, then by an umpire to be chosen by the valuers previously to entering upon the consideration of the matters referred to them; and in case either of the parties shall neglect to name a valuer for the space of seven days next after a notice in writing so to do shall have been given to him by the other party, or shall name a valuer who shall refuse to act, then the valuation may be made by the valuer named by the other party alone; the valuers or their umpire shall have power to decide any questions which may arise in the course of their valuation, and in particular any question as to what matters or things are proper subjects of valuation, according to the true intent and meaning of these conditions.

Town Lands.

1. Town lands shall be leased for fourteen years. The rent to be at the amount per annum offered by the highest bidder. The rent to be payable half-yearly in advance. The lessee shall pay all taxes, rates, charges, assessments, or impositions already made, or that may be made upon the property, whether chargeable against landlord or tenant; and he shall also pay all charges for making and maintaining footpaths fences, &c.

2. Buildings, fencing or other improvements shall be erected or made on the property to the value of at least £ * within one year from the commencement of the lease; and all buildings, fencing, and fixtures on the land to be kept in good and tenantable repair, and to be insured, at the cost of the lessee, to at least the value aforesaid, in some respectable company in Dunedin, in the name of the Superintendent.

Conditions 7, 9, 10, and 11, in the case of Rural Reserves, to be also applicable in the case of Township Reserves.

OTAGO EDUCATION RESERVE.—EXTRACTS FROM EDUCATION REPORTS.

REPORT for 1866.

THE Education Reserves have been open for lease for about a year, and up to the present time 120 rural sections have been let to seventy-three different tenants. The area of these sections is 4,856 acres, and the aggregate rental £1,190 per annum, or at the average rate of about 4s. 11d. per acre. Only four town sections have been leased. All of them are situated in the township of Oamaru, and their aggregate rental is £39 5s. The total rental of the reserves leased up to the present time is thus about £1,229. It must be borne in mind, however, that no rent is payable for rural lands for two years after being leased, and that the revenue hitherto derived has been from the town sections, and from deposits at 2s. per acre on the rural lands leased. The two Education Reserves Ordinances already passed comprise 385 rural sections, with a total area of 18,198 acres, or nearly four times the quantity of land already leased. But as the land not yet leased is, in most instances, less valuable, I do not anticipate for it an average rent per acre equal to that offered for the properties already disposed of. The minimum rent hitherto accepted by the Board has been 3s. per acre. The number of township sections already reserved is 317, but, as already mentioned, only four of them have been leased. After a year's experience of the disposal of the reserves, I am decidedly of opinion that a system of open auction, at a fair upset price, is preferable to receiving sealed offers, and I intend to bring this matter under the consideration of the Board as soon as a favourable opportunity presents itself.

In compliance with your Honor's instructions, I have recently applied, on behalf of the Board, for the due proportion of land in townships and rural blocks in which reserves had not previously been made; and I presume that an Education Reserves Ordinance, for securing these properties to the Board, will be brought before the Provincial Council at its next Session. In selecting these reserves, I have endeavoured to secure much larger sections than formerly. As a rule, I have applied for only one section in each survey block; and, wherever practicable, the reserves in two adjoining blocks have been chosen in such manner as to have them contiguous, with a view to their forming one large farm, if thought advisable. In townships, the reserves recently made have been selected in blocks of several sections each. In future, I believe the best course will be to set aside only one reserve, of average quality, in each survey district. It may be well to mention that the arrangements in connection with Education Reserves have been made in accordance with the recommendations contained in the Report of a Select Committee of the Provincial Council in 1863. (See Votes and Proceedings, Session XVII.)

REPORT for 1867.

Up to the present time 130 rural properties have been leased to about 103 different tenants. The aggregate area of these properties is about 6,730 acres, and the rental is about £1,383 per annum, or at the average rate of about 4s. 1d. per acre. Ten town sections have been leased to nine different tenants, at an aggregate rental of £85 5s. per annum, or at the average rate of £8 12s. 6d. per section. The total annual rental of the reserves already leased is therefore £1,469 5s.; but as no rent is payable on rural arable land for the first two years, the revenue hitherto derived has been almost entirely drawn from the town sections, and from deposits on rural lands. The following is an abstract of the accounts for the year 1867:—

| <i>Revenue.</i> | | £ | s. | d. | £ | s. | d. |
|--|-----|-----|-----|----|-----|----|----|
| Balance in hand on 31st December, 1866 | ... | ... | 15 | 17 | 0 | | |
| Receipts from Deposits and Rents | ... | ... | 223 | 10 | 0 | | |
| | | | | | 239 | 7 | 0 |

* The amount will depend on the situation of each section.