

High School Board, dated the 2nd instant, and his telegram of the 7th instant, both addressed to the Secretary of the Education Board; and to the 'particulars and conditions of sale' of leases of thirty-three sections, which it is proposed should be offered by auction at Dunedin on the 24th instant:

"Although it is stated in the letter of the 2nd instant 'that the sale has been advertised for two months in terms of the Act' (section 5, 'The High School Reserves Act, 1880'), it would appear that the advertisement in the *Otago Daily Times* of the 6th April is the first notice given of sectional details and prices. In similar sales of Crown lands at least thirty days' public notice has to be given before day of sale; in this case there is only eighteen days' notice given of the lands to be sold. As regards the thirty-three sections, comprising 3,000 acres, to be offered on lease on the 24th instant, no particulars are given, except that in the advertisement the sections for sale and for lease are all mixed up without any distinction whatever, apparently all for sale. After comparing the advertisement with the lithographed maps and with the manuscript of 'particulars and conditions' of leases, it appears that the advertisement of the 6th April gives the capital value of the lease sections, and that, as stated in the latter part of that notice, the terms and particulars of land on perpetual lease will be given in future advertisement.

"From these statements it will be seen that the advertisement now before the public is misleading with regard to the land to be sold, and gives no information as to the sections to be leased. In two instances Block V. is given in the advertisement for Block IX., and a section reserved on the lithographed plan for village settlement is entered as for sale as rural land.

"From an allusion to town sections in the advertisement it would appear that some are to be offered, also village sections; but no details are given, nor do the plans show any.

"Even if the advertisement notice had been clear and distinct as to what is really to be offered for sale and lease on the 24th instant, the time given of eighteen days is by far too short for intending settlers to visit the ground with map and advertisement in hand to select what sections are likely to suit them. At least two months should have been given. A surprise sale has simply the effect of either marring the sale or of playing into the hands of speculators who may chance at the time to have the necessary money. This rushing of the land into the market, cash, lease, or town lands all atop of each other on the same day, is most unfavourable to the settlement of the land by residential settlers.

"The settlers who are to be compelled to reside on the land—viz., those on leasehold—should have had the opportunity of making their selections firstly, and then, next day, or, better still, some considerable time after, the cash sections to be offered. In this way the leaseholders would have had a little time to consider, and an opportunity of adding to their leaseholds by the purchase of an adjacent freehold section.

"The very men who as a rule are likely to make the best settlers would feel least at home amid the jostle and excitement of the auction-room. It has been the invariable practice in the settlement of the blocks on the Waimate Plains and in other districts to offer the land on settlement conditions at least two days before the land for sale on cash, and now in the arrangements for disposing of lands on perpetual lease the same principle is being followed, of offering the lease lands before the cash.

"The advertisement states that the 3,000 acres is to be on 'perpetual lease;' but, as the trustees of the Dunedin High School have not asked nor obtained the sanction of the Governor in Council, under section 50 of 'The Land Act 1877 Amendment Act, 1882,' to bring the land under the provisions of sections 3 to 48 of that Act, it would appear that they have no authority to grant perpetual leases. The authority under which they are now acting is 'The High Schools Reserves Act, 1880.' In section 6 of that Act they are empowered to grant leases of rural lands for twenty-one years only.

"The particulars and conditions of sale of leases, forwarded ostensibly as perpetual-leasing conditions, seem in reality only to be conditions for a twenty-one years' lease, with right of renewal for a second twenty-one years—in all, forty-two years. They are apparently not in keeping with either Act: for if on the authority of the Act of 1882, all the conditions would have to be in accordance with it (see section 51), which they are not; again, under the Act of 1880 (section 6) the lease of rural land is only for twenty-one years.

"The trustees propose twenty-one years for the first term of their perpetual leasing, instead of thirty years. The trustees (see clause 19 of their conditions) require the lessee, in addition to the cultivation prescribed in the Land Act, to put substantial improvements of a value of £2 per acre within the first three years; instead of, as in section 37 of 'The Land Act, 1882,' giving the lessee six years to put on the substantial improvements of £1 an acre, in addition to the cultivation specified in sections 34 to 36 of Act.

"To any one who is acquainted with the ordinary class of settlers these terms of compulsory expenditure will at once appear prohibitive to all but capitalist settlers of large means.

"Regarding the upset prices of the leasehold land, it is stated in the letter of the 2nd instant that they are computed at $7\frac{1}{2}$ per cent. on the capital value. The list furnished agrees with the capital values given in the advertisement. But in the telegram of the 7th instant it is stated that $7\frac{1}{2}$ per cent. was stated in error, and that it should be 5 per cent. But the Government are now left in doubt whether to adhere to the rents given and alter the capital values, or alter the rents so as to agree with a 5-per-cent. computation of the advertised capital values. As the latter surmise would bring the rents to a more reasonable estimate of the value of the land than the other, it has been so assumed, and the corrected rents entered in pencil.

"As the Government is greatly concerned in the successful settlement of the Strath Taieri, having so much Crown land yet to offer there, and this 10,000 acres is pre-eminently the most suitable for settlers, it behoves the Government to use every reasonable endeavour to stay the trustees of the high school in dealing so precipitately with this valuable block of land.