

average of 11 $\frac{1}{10}$ d. per acre. The area of the agricultural sections was 2,923 acres, leased to forty tenants, the annual rent being £596 2s. 6d., or an average of 4s. 0 $\frac{1}{2}$ d. per acre. The town sections contained 1 rood each, and they were leased to twenty-two tenants at £63 16s. per annum. The total number of tenants on the Commissioners' rent-roll at present is 832.

SETTLEMENT AT TE ANAU.—As stated in my report for the year 1892, the Commissioners resumed possession of about 500 acres of Run 301b, Te Anau, for settlement, with a view to encourage tourist traffic at Lake Te Anau, and one-half of this area was offered for lease at Invercargill in the month of July last. I am sorry to state, however, that only eight sections have as yet been taken up. The areas of the sections offered ranged from 1 rood and 25 poles to 28 acres each. The upset rents placed upon the small sections fronting the lake were fixed at from 30s. to £5 each, the upsets placed on the larger sections being from 2s. to 3s. per acre. The object of the Commissioners in fixing the upsets on the small sections at a somewhat high figure was to prevent a monopoly for speculative purposes.

ADVANCES UPON MORTGAGE.—During the year the sum of £8,300 was advanced by the Commissioners on mortgage over freehold securities, the rate of interest being 6 and 6 $\frac{1}{2}$ per cent. In every case the Commissioners, besides obtaining a report and recommendation from expert valuers, satisfied themselves personally as to the sufficiency of the margin of security. They have established a rule to lend money on such securities only as can be turned into endowments, and profitably worked as such, in the event of their having to take them over under powers of mortgage. The total sum now advanced on mortgage is £32,430 11s. 7d.

RUNS 208 AND 326.—In order to decide as to the best mode of dealing with the lands comprised in Run 208, Wairaki, and Run 326, Waikaia, the Commissioners decided to make themselves personally acquainted with the nature and capabilities of the same, and accordingly four of their number—viz., Messrs. Bain, Baldey, Green, and Dallas—visited the runs in question, along with other endowments in the neighbourhood, for that purpose. An exhaustive report was also obtained from Mr. James Blaikie, an experienced surveyor and farmer, as to the best way of subdividing the land on Run 208, having due regard to existing fences and natural boundaries. After full consideration, the Commissioners decided to subdivide Run 208 into six holdings, with areas ranging from 3,150 to 6,300 acres, and to offer them for lease about November next; the leases to commence on the 1st March next. In deference to the wishes of settlers in the neighbourhood of Waikaia and surrounding districts, the Commissioners decided not to subdivide Run 326 until they have obtained a statutory power to limit the area tenable by any one individual, and they accordingly agreed with the present tenant for a continuance of his lease until the 28th February next, by which time they hope to be able to enforce such a limitation. At present they have not this power, and, although willing and anxious to promote settlement, they have hitherto been unable to prevent monopoly when opening up blocks of land for settlement.

LIMITATION OF AREAS OF LEASES.—In proof of the Commissioners' solicitude to have the power of limitation conferred upon them, I beg to refer you to their reports for the years 1891 and 1892, wherein they urged the desirability of being enabled to place a wise limitation on the areas of leaseholds, and to express the hope that you will take the necessary steps during the coming session of Parliament to place them in possession of the powers which they seek to obtain.

ARREARS OF RENT.—Of the sums shown in the Statement of Receipts and Expenditure as arrears of rent, &c., on the 31st December, 1893, £2,094 7s. has been collected since the commencement of the current year. As explained in previous reports, all rents are debited half-yearly in advance—a number of them as late as the 30th December—and these are seldom paid before the commencement of the following year. In past years the tenants, in a number of instances, ran up the rents at auction to more than their value, although the upsets were fixed by the Commissioners at fair and reasonable amounts, and this, combined with bad seasons, has caused some of them to fall considerably into arrear. As the tenants have in most cases substantial improvements in the shape of fencing and buildings, for which they are entitled to receive full valuation, the Commissioners in some instances have arranged to allow the amount of their arrears to stand over until the termination of the leases, when they will deduct the amount owing from the valuation payable by the incoming tenants. In such cases the current rents are being paid regularly. A considerable portion of the arrears are in respect of lands recently taken up in Blocks IV. and V., Wendonside (late Run 194). The rents of some of these sections are alleged by the tenants to be too high, and, as the low-lying portion of Block V. fronts the Mataura River, some of the lessees have suffered severe loss of crops during last harvest. This fact, combined with the bad weather experienced last spring, has rendered the collection of rent from new tenants, who for the most part commenced with very little capital, a matter of great difficulty.

EXPENSES OF MANAGEMENT.—In explanation of the sums shown in the Statement of Accounts under the head of expenditure—viz., £1,869 6s. 5d. and £40 8s.—I would draw attention to the fact that £424 4s. 10d. was paid to the Southland County Council towards road construction, in connection with opening up land for close settlement; £243 2s. 9d. was expended on the survey of blocks for settlement; £57 15s. was spent on protective works; and £26 6s. 10d. on improving some of the endowments by tile-draining, the Commissioners supplying the pipes and the tenants putting them in at their own expense, under proper supervision, no valuation being allowed at the end of the leases. £62 2s. 9d. was paid to County Councils, Boroughs, and River Boards for rates; while £100 1s. 6d. went to the Government in the shape of railway-fares, stamps, telegrams, telephone, and fees, £47 5s. 8d. representing railway-fares of the Southland Commissioners while attending meetings in Dunedin. The sum of £46 4s. was received for the preparation of leases by the Commissioners' staff, and should therefore be deducted from the costs of management. The actual sum paid during the year for management—viz., for salaries, office-rent, Commissioners' travelling expenses, and inspection (exclusive of railway-fares), auctioneer's commission, legal expenses, printing, stationery, advertising, &c.—amounted to £949 16s. 9d., or 5·3 per cent. on the amount of money received during the year, which cannot be said to be an excessive cost for the efficient management of a large and valuable trust.