

A renewal of lease of Section 73, Alfredton (area 50 acres 1 rood), for a period of fourteen years, was granted, and lease of Section 51, Block IV., Mangawhero district, was extended from twenty-one years to thirty years.

The surrenders of four leases have been accepted during the year, and arrears of rent amounting to £85 3s. 7d. due thereon have been written off. Two of these sections were thrown up by the lessees in 1894, but, owing to an informality on their part, they were not taken off the books, although the leases were several times offered at auction by the Commissioners. As rents to the amount of £21 11s. 3d. have nominally accrued upon them during that period, it practically reduces the above £85 3s. 7d. to £63 12s. 4d.

Reductions of £6 14s. 10d. and £11 (total, £17 14s. 10d.) in the rentals of two sections have been made, the reasons being loss of area and damage from floods.

Under the heading of "Printing, stationery, and office contingencies" is included the cost of printing and circulating posters announcing sales, office rent and furniture, stamps, &c. Postage alone amounted to £13 17s.

The Commissioners have much pleasure in reporting that their anticipations expressed in their last annual report, as to the amount of rents in arrears being considerably reduced, have been fully realised, as a comparison of the balance-sheets will show. Efforts are being made to still further reduce this amount, and there is every reason to believe that they will be successful.

With the exception of some lands which were given in exchange for Sections 128 and 135, Carterton, under "The Reserves Disposal and Exchange Act, 1895," the Commissioners are not aware of any lands having been set aside during the year. The total area of reserves therefore practically remains unaltered, being approximately a little over 84,000 acres, of which, in round numbers, 46,000 acres is let at a rental of £2,400 per annum.

Owing to the growing importance and value of the educational reserves, and the increasing amount of work involved in connection therewith, the Commissioners found it necessary to appoint a permanent secretary, and also to remove to larger and more convenient offices. Their business is now carried on in a room rented from the Government Insurance Department. The rental, £50 per annum, seems a high one, but it is thought that contiguity to the Land and Survey Department and other Government offices will compensate for this.

The Commissioners would like to place on record their appreciation of the great services of the late Commissioner of Lands, Mr. John H. Baker, in the conduct of their business, and his efforts to get the proportion of lands set aside for reserves brought up to date. There are still considerable arrears, but owing to his action the property under the control of the Commissioners was during his term of office augmented by over 28,000 acres.

Applications are frequently being received for sections gazetted in 1895, but as the titles to a large number of these sections have not yet been issued, and the balance have only lately been received, they have not yet been offered for lease.

The Commissioners are still of opinion that some further provision should be made for secondary education, and they would again urge upon you the necessity of something being done if only to place the Wellington Province upon an equal footing with that of other districts. This would assist the Commissioners to institute country scholarships, and thus obviate some of the difficulties experienced by country children, who at present have to compete with children educated at large schools within the city, where the surroundings are such that closer attention can be devoted to the scholarship candidates.

I have, &c.,

The Hon. the Minister of Education.

J. R. BLAIR, Chairman.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1896\*

Receipts.

	Primary.	Secondary.	Total.
	£ s. d.	£ s. d.	£ s. d.
To Balances, 1st January, 1896 ... ..	528 0 7	93 12 7	621 13 2
Receipts on account of previous years ... ..	613 6 7	0 0 3	613 6 10
Receipts on account of year 1896 ... ..	2,114 17 3	111 0 0	2,225 17 3
Receipts on account of year 1897 ... ..	30 17 7	...	30 17 7
Receipts on account of incomplete leases ... ..	65 0 7	...	65 0 7
Preparation and registration of leases ... ..	23 10 0	...	23 10 0
Refund of fencing ... ..	46 12 4	...	46 12 4
Land taken for railway ... ..	14 18 6	...	14 18 6
Total receipts ... ..	3,437 3 5	204 12 10	3,641 16 3