

rent of £100 6s., or 6½d. per acre. The area of the agricultural land was 5,715 acres, leased to fifty-one tenants at £897 9s. per annum, or 3s. 1½d. per acre. The township sections contain about 1 rood each, and were leased to nine tenants at £11 17s. per annum, or an average rent of 18s. 2½d. each. The total number of tenants on the School Commissioners' rent-roll at the end of 1896 was 824.

During the year the sum of £2,314 13s. 11d. was received as repayment of loans, and £350 was advanced on mortgage at 5½ per cent. As the Commissioners only lend money on the security of first-class arable land, which could be added to the endowments in the event of its falling into their hands, the choice of suitable securities is somewhat circumscribed, and they have a difficulty in finding profitable investment for their funds. In view of this fact they are considering the advisableness of adding to the endowment by the purchase of suitable land if such can be obtained on advantageous terms.

In the early part of the year the Commissioners offered at auction a block of 5,977 acres, which they took from Run 193A, Wendon, in sections ranging from 161 to 837 acres, for twenty-one years' agricultural lease. Of this block 3,908 acres were taken up by ten tenants, at an average rent of 3s. 4½d. per acre.

I regret to say that, notwithstanding the fact that the Commissioners have offered the Wendon and Greenvale Runs for lease on five occasions at very low upsets, they have been unable as yet to find tenants, the evident reason being the large expenditure necessary to keep down the rabbits, and also the low prices of pastoral products. The cost of rabbit destruction is now being borne by the Commissioners, and unless the runs are taken up before the end of the winter, it will add very considerably to the expenses of management.

Of the amount shown in the statement of receipts and expenditure as arrears on 31st December, 1896, the sum of £3,431 12s. 6d. has been collected since the end of the year, and the Commissioners are adopting vigorous measures to obtain payment of the balance. As stated in previous reports all rents are due half-yearly in advance, and a number of them are not debited until late in the year, some as late as December. In such cases they are seldom paid in time for inclusion in the year's accounts.

I desire to explain that, of the items £1,830 1s. 10d. and £47 10s. 9d. shown in the statement of accounts under the head of expenditure on account of Primary and Secondary Education Reserves, £296 3s. 1d. was paid to the Southland County Council as a subsidy for road-making, £76 2s. 6d. was expended on drainage and protective works on the reserves, £160 11s. 6d. was paid for rabbiting, £212 6s. 6d. was paid for surveying agricultural block on runs, £8 11s. for rates, and £94 10s. 6d. to the Government in the shape of train-fares, stamps, telegrams, &c. (£50 8s. 10d. of this amount represented train-fares of the country Commissioners in connection with their attendance at meetings in Dunedin). The sum of £36 3s. 6d. was collected for the preparation of leases by the Commissioners' office staff, and should therefore be deducted from the cost of management. If all the foregoing figures are deducted, the actual cost of management would not be more than £945 14s. 3d., or 5 per cent. on the money collected during the year.

A copy of the balance-sheet, and statement of receipts and expenditure, duly certified to by the Controller and Auditor-General, was forwarded to your department on the 8th April last.

I have, &c.,

J. P. MAITLAND, Chairman.

The Hon. the Minister of Education, Wellington.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1896
(supplied in accordance with section 13 of "The Education Reserves Act, 1877").

Receipts.

	Primary.	Secondary.	Total.
	£ s. d.	£ s. d.	£ s. d.
To Credit balances, 1st January, 1896—			
Bank of New Zealand ... ..	...	...	2,279 9 0
Bank of New Zealand, fixed deposit ...	...	...	2,000 0 0
National Bank of New Zealand, fixed deposit ...	...	...	2,000 0 0
Arrears of revenue for previous years, viz.—			
Rents of reserves	4,333 17 4	141 10 10	4,475 8 2
Interest on mortgages	336 5 6	...	336 5 6
Revenues, viz.—			
Rents of reserves for current year	8,064 3 10	537 13 8	8,601 17 6
Interest on mortgages	1,333 1 10	...	1,333 1 10
Interest on fixed deposits	160 0 0	...	160 0 0
Other receipts, viz.—			
Net proceeds of land sales	1,615 12 11	...	1,615 12 11
Repayment of loans	2,314 13 11	...	2,314 13 11
Costs received for preparing leases	36 3 6	...	36 3 6
Deposit on contract for destroying rabbits ...	4 19 6	...	4 19 6
Total receipts ... ..	...	...	25,157 11 10