

Copies of the accounts, as audited, since August 1862, are attached. The accounts of the current year will be audited at the end of December. Prior to 1862 the accounts of the treasurers were not audited, viz., those of Mr. Boyle and Mr. St. Hill.

To the Secretary of the Commission.

WILLIAM FITZHERBERT.

The Hospital Reserves adjoining the College Reserve might have been let more advantageously during the last three years, but it was understood that it would be the desire of the General Government to become possessed of a portion of the property for a domain; and under these circumstances the Trustees considered themselves justified in avoiding creating further complications for such contemplated possession, by granting a fresh lease, which must have been given on much higher terms, and would have been less defeasible. The tenant also, if turned out, would have demanded large compensation, and so have diminished the funds accruing beneficially to the trust, the tendency generally being in favour of the tenant in such cases. This was really what operated on the minds of the trustees in this matter.

The hospital has been kept in good repair, and large sums have been spent for this object.

There was a *pro rata* arrangement between the General Government and the Provincial Government of Wellington, with respect to the maintenance of Maoris in the hospital.

The hospital was maintained out of the rents of these sections (which I believe were Native sections originally), and with funds given proportionately by the General and Provincial Governments.

We have nothing to do with disbursing the hospital funds, which is the business of the Provincial Government. We have not a word to say as to the appointment of the hospital surgeon, or its internal management. We have simply to receive rents, and pay them over to the Government, taking care to keep the hospital in repair, the management of the land and buildings being solely in our especial province.

*Grant, 10 acres 3 roods 17 perches.*

(N.M. Miscellaneous, p. 97, area 10 acres 3 roods 17 perches).—With respect to the College Reserve, so far as I am aware, *i.e.*, up to the time of my leaving for England, at which time I ceased to act in the trust, no dealings had been taken by the trustees in respect of that portion of the property known as Thorndon Barracks. I may state, as the sole original surviving trustee, that the reasons which operated on the minds of the trustees, in preventing their taking any action in the matter, were these, viz., urgent applications were at first made to the General Government to give possession of the property to the trustees; they were referred back to the military authorities, and failed to obtain any effective reply. I doubt if there is any correspondence on record respecting these applications. It was contemplated having recourse to legal process to get possession of the reserve; but strong local influences were brought to bear not to press this point, lest it should be taken hold of as a reason for not sending troops here.

The sections on Lambton Quay, I think, were let at 10s. a foot frontage. The existing leases of these sections, and of those in Vivian Street, are in the hands of the present trustees, to whom I handed them on relinquishing the trust, together with a sum of, I think, about £2,000, more or less, which had accumulated from rents, which I had invested whenever they amounted to £100 or £200.

The present trustees are Messrs. Brandon, Lyon, Pearce, and one or two others. My object was to have established a college with the funds. I believe a boys' school has been built with the funds, on part of the Wesleyan Reserve.

RECEIVED from W. A. Fitzherbert, Esq., the following deeds:—

- 1868, March 26, counterpart lease, Hospital Trustees to J. Burns.
- 1863, November, lease, Hospital Trustees to R. Stuart.
- 1864, November, counterpart lease, Hospital Trustees to R. Stuart.
- 1868, March 20, counterpart lease, Hospital Trustees to W. H. Davis.
- 1866, August 20, lease, Hospital Trustees to G. W. Hornblow.
- 1859, May 13, lease, Hospital Trustees to — Coffee.
- 1868, March 26, counterpart lease, Hospital Trustees to J. Creamer.
- 1868, March 26, counterpart lease, Hospital Trustees to A. Scales.
- 1867, February 25, counterpart lease, Hospital Trustees to J. Johnston.
- 1868, April 15, counterpart lease, Hospital Trustees to — Grace.

Wellington, 5th August, 1869.

A. DE B. BRANDON,

*Pro* JOHN BATHAM.

WM. ALFRED FITZHERBERT, Secretary and Treasurer, in account current with the TRUSTEES of the HOSPITAL ESTATE, from the 4th August, 1862, to 20th August, 1863.

1862.				1862.			
	To		£ s. d.		By		£ s. d.
	Balance	..	294 10 10	Aug. 6.	By Boyle	..	10 1 8
Oct. 13.	Rent, Bull	..	6 0 0	Sept. 8.	Simmonds, bricklayer, repairs to	..	
Nov. 3.	" Creamer	..	3 0 0		Provincial Hospital..	..	2 12 6
" 3.	" Sutherland	..	10 0 0	" 8.	Wallis, labour at hospital	..	3 12 0
1863.				" 8.	Mayer, for 50 loads gravel	..	6 5 0
Feb. 9.	" Clapham	..	9 15 0	" 10.	Lawes, carpenter, repairing hos-	..	
" 9.	" Bolton	..	6 0 0		pital porch	..	1 5 0
" 9.	" Maney	..	5 0 0	" 10.	Bolton, shingling old Court	..	
" 9.	" Clapham	..	9 15 0		House	..	15 9 5
" 9.	" Connelly	..	2 10 0	1863.			
" 9.	" Sutherland	..	10 0 0	Jan. 19.	Collector (W. A. Fitzherbert)	..	10 0 0
" 9.	" Brown	..	1 10 0	Mar. 19.	"	..	5 0 0
Mar. 9.	" General Government	..	45 0 0	" 23.	Insurance of hospital to the 25th	..	
June 21.	" Bull	..	5 0 0		March, 1864	..	20 0 0
July 19.	" Connelly	..	2 10 0	" 23.	Minifie, repairs to hospital	..	55 0 0
" 24.	" Clapham	..	19 10 0	Aug. 2.	Collector (W. A. Fitzherbert)	..	4 0 0
" 24.	" Bolton	..	6 0 0		Balance	..	347 15 3
Aug. 3.	" General Government	..	45 0 0				
£481 0 10				£481 0 10			

JAMES KELHAM, Auditor.