

The various estates and properties still on hand are in good condition, the country properties being kept in best heart, and worked less with a view to maximum annual profits than to bring into and maintain in most profitable condition for the purchaser. Notwithstanding this our stations have contributed well to the income of the Board, although, as sales are reducing our earning area, revenue from this source, of course, is also shrinking. The special realisation of the year has, of course, been the Matamata Estate, which has been compulsorily taken by the Lands for Settlement Department. Our claim was for £3 10s. per acre, and at this price I have always considered it cheap. In support of our case I employed as valuers none but experienced and practical farmers—men who had lived in the district for years, and who had successfully made their way and their living out of the land, and who, from their experience of similar country, were unquestionably well qualified to value. Their instructions were to make an impartial valuation, and their valuations, although somewhat below our claim, were accepted by us without demur, and in no case were their opinions either questioned or sought to be influenced or altered.

That the property was worth all and more than estimated by our valuers, and asked by us, is proved by the very successful ballot held in June, and the since very freely expressed opinions of the Department that Matamata is cheap and a good bargain.

Although this estate has been somewhat sacrificed, we shall, from its close settlement, derive considerable benefit in an enhanced inquiry for our other lands.

Subdivisional surveys of the remaining Waikato properties are now nearly completed, and by this time next year a very substantial area should have changed hands.

Notwithstanding expressed opinions that realisation has proceeded too slowly, it is certain that the Board's policy has substantially contributed to the lessening of the deficiency to be ultimately made up. Had the Board rushed the properties on to what has, until recently, been an unwilling market, the loss on actual values would have been very great. In conclusion and in support I may point to the satisfactory outcome of certain estates which have been finally realised, namely :—

	Area.	Sale Price.		Best Previous Offer.		Difference.	
		Total.	Average per Acre.	Total.	Average per Acre.	Total.	Per Acre.
	Acres.	£	£ s. d.	£	£ s. d.	£	£ s. d.
Rangiuru ...	6,841	32,250	4 14 3	25,653	3 15 0	6,597	0 19 3
Ohauti ...	6,547	12,000	1 16 7	10,000	1 10 6	2,000	0 6 1
Matamata*	42,739	126,745	2 19 3	85,478	2 0 0	41,267	0 19 3
Waihaorunga	17,918	78,315	4 7 5	53,754	3 0 0	24,561	1 7 5

* This excludes the offer of £2 10s. per acre recently made by the Government, and on which they compulsorily acquired.

The market value for lands has, of course, advanced, since the banking legislation, to such an extent as could neither have been foreseen nor hoped for; but it is a curious fact that, were we now in possession of the whole of the properties handed over at that date, there would not only be a represented value more than sufficient to provide for the present estimated deficiency, but in the meantime the profits from the working properties would, with the advance of prices for produce, have fully provided for the debenture interest.

It is gratifying to be able to report that payments of purchase-money and interest to the 31st March have in every case been met or arranged for to date.

WALTER G. FOSTER, General Manager.

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