

on without delay. The Commissioners have been informed that some of the lessees of runs falling due in March have stated their intention of abandoning them, rather than go to the expense of clearing off the rabbits, unless they can obtain a renewal for the whole of their present holdings and for long terms. While much of the reserves in question is only fit for pastoral purposes, a great proportion consists of good agricultural land, which, if surveyed into suitable areas and judiciously offered for sale, would command good prices, thus securing the settlement of the country, a consummation which is very desirable, and which is being urgently pressed upon the Commissioners. Should these reserves remain on the hands of the Commissioners, the tax imposed under "The Rabbit Nuisance Act, 1881," will have to be paid by them, and there can be little doubt it will be a heavy one. In view of such a contingency, the argument in favour of the School Commissioners having the power to dispose of the reserves by sale instead of by lease acquires an indisputable strength, inasmuch as a very large proportion of the revenue they have to administer will be absorbed in paying the rabbit-tax on the unleased reserves. As a considerable time must necessarily be lost in surveying and other arrangements prior to selling, the Commissioners venture to express a hope that the Government will further the passage of a Bill giving them the power required, and use its best endeavours to have it brought into operation as soon as possible.

The Commissioners have to report that great difficulty has been experienced in collecting rents during the year. This has been caused in a great measure by the extreme depression existing among the farmers, and also through some of the rents being much too high, having been run up at auction.

As stated in last year's report, a great number of rents are due about the close of the year (some as late as the 30th December), and, in consequence, appear as outstanding on the 31st. Of the arrears due on the 31st December, £489 8s. has been paid since the commencement of the present year.

Of the sum of £355 17s. 4d. shown under the head of "Arrears on 31st December, 1880, still unpaid," £57 1s. has been collected since the 31st December, and £159 10s. has been found to be totally irrecoverable, thus bringing the actual amount of arrears on that date to £134 1s. 4d.

In several cases the Commissioners have resumed possession of reserves, and have again leased them in the usual manner.

Annexed hereto is the balance-sheet, duly audited, showing the receipts and expenditure of the School Commissioners during the year.

The Hon. the Minister for Education. J. P. MAITLAND, Chairman.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ended 31st December, 1881.

Receipts.

	Primary Education Reserves.	Secondary Education Reserves.	Total.
	£ s. d.	£ s. d.	£ s. d.
To Balance on 1st January, 1881	3,695 12 1	555 14 8	4,251 6 9
Arrears of rents, &c., due 1st January, 1881, collected in year 1881	1,090 11 1	223 4 7	1,313 15 8
Rents, &c., payable and collected within year 1881	7,292 14 11	407 17 10	7,700 12 9
Interest on credit balances	18 9 9	0 5 3	18 15 0
Total receipts	12,097 7 10	1,187 2 4	13,284 10 2

Expenditure.

	£ s. d.	£ s. d.	£ s. d.
By Office—			
Salaries and allowances to officers, including Secretary's salary, thirteen months, £325, and commission to Southland Agent, £76 11s. 7d.			401 11 7
Allowances to Commissioners			49 11 11
Rent and expenses			95 2 6
Expenses of leasing—	597 2 11	51 12 6	6 1 8
Auctioneer's commission			
Printing, stationery, advertising and other expenses, including Secretary's travelling expenses			82 7 7
Expenditure on reserves: Surveying			1 8 0
Legal expenses			12 12 2
Otago Education Board	9,035 10 2		9,035 10 2
Southland Education Board	2,438 2 11		2,438 2 11
Otago Boys' and Girls' High Schools		896 1 6	896 1 6
Southland Boys' and Girls' High Schools		239 8 4	239 8 4
Refund of run rents overpaid	26 11 10		26 11 10
Total expenditure	12,097 7 10	1,187 2 4	13,284 10 2