

(Limited) applied to the Commissioners either to allow a substantial reduction in the rent or to accept a surrender of the lease, stating that it was impossible to make the rent they were then paying out of the land. The Commissioners had reason to believe that the competition for the land when it was offered in 1883 was caused by parties wishing to take a crop or two of wheat from it, that cereal commanding a high price at that time; and had it been leased to them instead of to the present tenant they would probably have thrown it up after paying a year's rent. After duly considering the matter, the Commissioners decided to accept a surrender of lease as requested, on condition that the tenant undertook to bid the upset of 2s. per acre, which they considered a very fair rental. As there were no other reserves in the North Otago District open for lease at the time, the sale was held at Dunedin on the 19th December, 1885, and, there being no competition, Section 23, Block V., was leased to Messrs. Robert Campbell and Sons (Limited), at 2s. per acre, for a term of fourteen years. The sale was advertised for thirty days, as provided for by "The Education Reserves Act, 1877." The advertisement appeared in the *Otago Daily Times* of the 17th and 20th November, and in the *Otago Weekly Witness* of the 21st and 28th November and the 5th December, and should have also appeared in the latter paper on the 12th December, according to the written instructions of the auctioneer, but was accidentally omitted. In addition to the advertisements 1,750 posters, giving full particulars of the sale, were circulated throughout Otago, being sent to railway-stations, police-stations, Resident Magistrates' Courts, and other public places. A considerable number of these posters were sent to Oamaru. The *Otago Witness* is universally recognised as the best circulating medium in the country districts, and has about seven hundred subscribers in the North Otago District. It will thus be seen that due publicity was given to the sale, and, as a matter of fact, inquiries were received from the neighbourhood of the section prior to the sale.

With reference to Mr. Duncan's remarks on the action of the attorney of Messrs. R. Campbell and Sons in connection with the surrender of the section, I have to state that that gentleman (Mr. A. C. Begg), although one of the School Commissioners, took no part whatever in the discussion or decision arrived at by the Commissioners in the matter.

Touching the complaints from people at Oamaru that the Commissioners have not advertised in the Oamaru papers, nor held sales in that town, I beg to send, for the information of the Minister, the following particulars of all sales of leases in the Oamaru and surrounding districts from the date of the last sale held in Oamaru Town (September, 1883) to the present date, from which it will be seen that the Commissioners have in every case consulted the convenience of the majority of intending purchasers, besides saving the unnecessary expense of advertising and holding separate sales in various townships:—

First: Sale held at Dunedin, 2nd December, 1884, consisting of one section in Oamaru District, one section in Owamoko District, seven sections in Papakaio District, one section in Kauroo District, four sections in Moeraki District, three sections in Hawksbury District, one section in Clarendon District, one section in Table Hill District, three sections in Hillend District, two sections in Waitahuna West District, one section in Tokomairiro District. Eight of these sections were south of Dunedin, three close to that town, and of the seven at Papakaio six had been offered unsuccessfully at Oamaru in September, 1883. This sale was advertised in the *Otago Witness* for the requisite time, and also in the *North Otago Times* and *Oamaru Mail*, as well as in other local papers.

Second: Sale held at Dunedin, 7th November, 1885, consisting of one section at Moeraki, near Palmerston, four sections at Kauroo, two sections at Waikouaiti, and five sections south of Dunedin. This sale was advertised in the *Otago Witness*, *Otago Daily Times*, *Palmerston Times*, and other local papers.

Third: Sale held at Dunedin on the 23rd July, 1886, consisting of seven sections in Town of Oamaru, one section in Town of Hampden, four sections in Moeraki District, near Palmerston, and a number of reserves south of Dunedin and in its neighbourhood. The advertisement appeared in the *Witness*, *Times*, *Clutha Leader*, and *Southland papers*. The town-sections in Oamaru were included on the chance of some of them being taken up; but none of them were sold.

Fourth: Sale held at Dunedin on the 28th February, 1887, consisting of one section in Otepopo District, and ten sections south of Dunedin. Advertised in *Otago Daily Times* and *Witness*.

Fifth: Sale held at Palmerston on the 30th April, 1887, consisting of one section in Papakaio District, one section in Oamaru District, six sections in Otepopo District, seven sections in Moeraki District, ten sections in Hawksbury District. With the exception of three sections in the Otepopo District and the sections at Papakaio and Oamaru, the above reserves were in the immediate neighbourhood of Palmerston, a large number of them being, indeed, situated south of that town. The advertisement, besides appearing in the *Otago Witness* for a month, was also inserted in the *Palmerston Times*, *North Otago Times*, *Otago Daily Times*, and *Oamaru Mail*, for more than once in each.

Sixth: Sale at Dunedin on the 23rd June, 1887, consisting of two sections in Otepopo District and five sections south of Dunedin. This sale was advertised for one month in the *Otago Witness* and twice in the *Otago Daily Times* and *Mataura Ensign*.

Seventh: Sale at Dunedin on the 20th December, 1887, one section in Oamaru Town and a number of sections south of Dunedin. Advertised in *Otago Witness*, *Saturday Advertiser*, and *Mataura Ensign*. The section in Oamaru Town was held by a widow at a yearly rental of £6, and at the instance of several Oamaru citizens a surrender of lease was accepted, and the section reoffered at £3 per annum.

Eighth: Sale at Dunedin on the 18th May, 1888, consisting of one section in Oamaru Town, one section in Papakaio District, eleven sections in Oamaru District, six sections in Otepopo District, five sections in Moeraki District (close to Palmerston; almost as near Dunedin as Oamaru), two sections in Waikouaiti District, two sections in North Harbour and Blueskin, and reserves in Districts of Green Island, Otokia, Maungatua, Akatore, Kaitangata, Hillend, and Clutha, all south