Considering the stagnant condition of the land market during the past three years, for only two of which has the Board been in actual control, I consider the realisation to have made good progress, notwithstanding the opinion to the contrary expressed by public men. It must be remembered that the amount realised is to be compared, not with the amount at which the properties were taken over, but at the actual value; the respective amounts being: Book cost, £2,731,706; proportion of sales to cost, 11·36 per cent. Estimated value, £1,879,105; proportion of sales to estimated value, 16·51.

STATION PROPERTIES.

The result of the working, whilst not up to that of the previous year, is, considering the adverse season and the sale of the Arowhenua and Albury Estates, which were large contributors to revenue, very satisfactory, the profit available for the year being £43,318 3s. 6d. After adding reclamations, and deducting surpluses on the previous year's produce shipments, the actual amount earned is £42,748 10s. 1d.

The following is a comparison embracing the period since the institution of the Board, stations since disposed of being omitted:—

Year.	Actual Profit.	Equal per cent. on Book Cost.	Equal per cent. on Mr. Foster's Valuation.
	£		
1896	37,000	2·28	3·60
1897	54,822	3·37	5·29
1898	42,749	2·62	4·13

Showing for the period referred to an average profit of £44,647, equal to 2·75 per cent. on book cost, and equal to 4·34 per cent. on my valuation, as compared with the average of the whole time the Estates Company held it of £27,504; equal to 1·68 per cent. on book cost, and equal to 2·66 per cent. on my valuation.

It will be seen by reference to the station balance-sheets that only in one instance have we failed to make a profit, and in this instance the property was small and could not be worked to a profit when all labour has to be paid for. The place has since been sold.

The working-expenses for the two years ending the 31st March, 1898, omitting stations disposed of, were as under:—

Particulars.	1897.	1898.
	£	£
Permanent improvements	4,841	8,260
Renewing pastures, &c. (20 per cent. of which is charged to Profit and Loss Account each year)	11,003	9,244
Depreciation in implements and furniture	1,046	1,125
Cost of turniping	15,641	15,093
General expenses, wages, repairs, rates and taxes, &c., including feed	39,766	37,796
Rent and interest	1,783	2,269
Rabbiting	2,191	1,204
Grain-growing for sale	660	567
Total	76,931	75,558
Deduct expenditure on permanent improvements	4,841	8,260
Actual cost for year	72,090	67,298

Working-expenses are still kept as low as is consistent with the proper management and maintenance in profitable order of the properties. It has been said that our estates are being allowed to run back. This is not the case, as our operations are planned to turn over every inch of our cultivated ground in from five to seven years, besides which we are manuring heavily, and taking nothing but wool and mutton off the country. In addition to this we are, as may be found desirable, bringing in further areas of land hitherto unremunerative.

SALES OF STOCK.

The following is a comparison of realisations for the two years ending 31st March, 1898:—

Sheep.

Year.	Number sold.	Net Proceeds.	Average.	Number frozen.	Net Proceeds.	Average.	Total disposed of.	Net Proceeds.	Averages.
		£	s. d.		£	s. d.		£	s. d.
1897	62,216	23,247	7	18,434	8,029	8 8	80,650	31,276	7 9
1898	67,379	24,129	7	23,200	11,105	9 7	90,579	35,234	7 9

NOTE.—1898: The value of frozen meat is estimated.