

In the early part of the year two of the Commissioners and the Secretary made a detailed inspection of all the holdings in the Wendon District for the purpose of recommending an adjustment of rents, which was subsequently made.

During the year the Commissioners leased nine holdings for pastoral purposes, sixty-one for agricultural purposes, and thirty-three township sections in various parts of the provincial district. The area of the pastoral land was 20,221 acres, leased to eight tenants at £378 4s. 8d. per annum, or 4 $\frac{7}{8}$ d. per acre; the area of the agricultural land was 3,530 acres, leased to fifty-two tenants at £647 16s. 4d. per annum, or 3d. per acre; and the area of township sections was 11 acres, leased to twenty-five tenants at £56 2s. 6d. per annum. During the year the sum of £457 was received in repayment of loans, and £5,450 was advanced on mortgage at 4 $\frac{1}{2}$ per cent. interest.

Of the amount shown in the statement of receipts and expenditure as arrears of rent, &c., on the 31st December, 1901, the sum of £2,128 15s. has since been collected. The rents are debited half-yearly in advance, and those that are not paid by the 31st December are shown as arrears, although the period which they represent does not end until 30th April following, and a great number of them are not paid until after harvest.

In reference to amounts of £1,641 1s. 4d. and £45 16s. 10d., shown as expenses of management, I would explain that £54 7s. 2d. appears on the other side of the account under the following heads—viz., Cash received for preparing leases by Commissioners' office staff, £30 15s. 6d.; insurance premiums collected from tenants, £4 16s. 6d.; office-rent, £10; county rates received from tenants, £6 17s. 2d.; refund of stamps and law-costs, £1 18s., and should be deducted from the expenses of management. A large proportion of the amount included in the expenses of management—viz., £414 3s. 8d.—was expended in the improvement of the endowments by drainage, and in the protection of a large portion of river-flat which was threatened with damage by the encroachment of the Mataura River.

The sum of £137 4s. 1d. was paid to the Government for train fares, stamps, Crown-grant fees, &c., of which £52 6s. represents the Commissioners' train fares in connection with their attendance at monthly meetings in Dunedin. Deducting the foregoing figures from the amount of £1,686 18s. 2d., the actual cost of management appears as £1,081 3s. 3d., which is a moderate sum considering the large amount of clerical work and inspection entailed in the management of an estate with a rent-roll of 863 tenants scattered all over Otago and Southland.

I take this opportunity of removing an impression that has gone abroad to the effect that the School Commissioners of Otago are desirous of selling part of their endowments. It is true that in certain cases they have recommended the Government to give effect to resolutions of Land Boards to enable holders of perpetual leases of education reserves which are under the administration of Land Boards to acquire their freehold. But this was done simply to carry out the evident intentions of "The Reserves and Crown Lands Disposal and Enabling Act, 1896," and as an act of good faith to the lessees, and not from any wish to carry out a policy to which the Commissioners are one and all most strongly opposed.

I have, &c.,

The Hon. the Minister of Education, Wellington.

D. BARRON, Chairman.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1901.

	Primary.			Secondary.			Total.		
<i>Receipts.</i>									
To Balances on 1st January, 1901—	£	s.	d.	£	s.	d.	£	s.	d.
Bank of New Zealand	...	...	...	...	...	...	1,050	14	0
Bank of New Zealand, fixed deposit	...	...	...	...	...	...	5,250	0	0
National Bank of New Zealand, fixed deposit...	...	...	...	...	...	...	4,800	0	0
Arrears of revenue for previous years,—									
Rents of reserves	4,157	5	10	91	4	3	4,248	10	1
Interest on mortgages	291	2	9	...	...	...	291	2	9
Revenues,—									
Rents of reserves for current year	8,624	19	1	499	18	1	9,124	17	9
Interest on mortgages	1,238	8	0	...	...	...	1,238	8	0
Interest on fixed deposits	334	0	0	...	...	...	334	0	0
Other receipts,—									
Net proceeds of land-sales	...	...	...	...	...	...	362	6	7
Repayment of loans	...	...	...	...	...	...	457	0	0
Cash received for preparing leases	...	...	...	...	...	...	30	15	6
Valuation for improvements from incoming tenants	...	...	...	...	...	...	611	5	0
Insurance premiums collected from tenants	...	...	...	...	...	...	4	16	6
Office-rent from Otago High Schools Board	...	...	...	...	...	...	10	0	0
County rates recovered from tenants	...	...	...	...	...	...	6	17	2
Proceeds sale of timber	...	...	...	...	...	...	1	10	0
Refund on account of stamps, &c.	...	...	...	...	...	...	0	17	0
Refund on account of law-costs	...	...	...	...	...	...	1	1	0
Total receipts	...	...	...	...	...	...	27,824	1	4