

endowment reserves, and the special provisions of the Act relating to these particular lands, contemplate the leasing of a portion of the area, having due regard to the interests of settlement; and this is no doubt in accordance with the original purpose of the reserve, viz., to provide a permanent and increasing source of revenue for educational purposes.

The necessary selection, setting apart, and sectional survey of the area prescribed by the Act of 1878 were all carried out with the approval of the Commissioners. But, in consequence of the large amount that would have had to be paid in compensation had the pastoral leases been determined over the whole area set aside, only a block of four thousand acres was proclaimed open for settlement under section 5 of the Act.

The fact of only about one-fourth of this block having been taken up has been frequently referred to as a reason why no more land should be offered on the same terms. But Mr. Rolleston, having recently visited the education reserves and inspected the various blocks, is of opinion that the block least likely to attract settlers was opened first. Not that the land is inferior, for this year's crops upon it point to a very different conclusion; but the land was difficult of access, and a considerable portion of it is on the hill side. The access is now in course of improvement, the Government having sanctioned the expenditure of a vote of £3,000 in opening roads to this and the other blocks.

For these reasons the Government cannot assent to offering the twenty thousand acres for sale on immediate and deferred payments, as desired by the Commissioners, until the intentions of the Legislature in respect of creating a leasehold estate have had a fair opportunity of being realized in one form or other. The Government will therefore be bound to fall back on the authority of the Act of 1878, unless upon reconsideration the Commissioners see fit to allow settlers an opportunity of taking up the land on the much more favourable terms of the Act of 1882.

I am therefore instructed to request you to bring the matter again before the Commissioners at the earliest possible opportunity, so that no further delay may ensue in advertising the land open for settlement.

I have, &c.,

H. J. H. ELLIOTT,  
Under-Secretary.

The Chairman, School Commissioners, Dunedin.

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#### No. 10.

The SCHOOL COMMISSIONERS, Dunedin, to the Hon. the COLONIAL SECRETARY.

*Memorandum for the Hon. Mr. Dick.*

For the last four years the School Commissioners have been thoroughly convinced that, in order to administer their trust to the best advantage, it was absolutely necessary that they should have power to sell certain of the education reserves, the proceeds of sales to be invested, and the income arising therefrom used for the same purposes as the rents are at present. The reason which actuated them was the extreme difficulty experienced in leasing land to advantage. The passage of "The Land Act 1877 Amendment Act, 1882," to a great extent got over the difficulty; but it was still necessary to obtain the consent of the Government in selling the reserves. Accordingly, in November last the Commissioners requested the Minister of Lands to declare some 51,000 acres in the Waikaia, Wendon, and Wendonside Districts, also about 5,000 acres at Wyndham and 6,500 acres at Hokonui, open for sale, half for cash and half on the deferred-payment system, which provides for compulsory residence; such land to be surveyed into sections of from 200 to 320 acres each; all in terms of Act of last session. To this the Under-Secretary for Lands replied to the effect that the subdivisional surveys would at once be commenced; but that, as the Government did not entirely concur in the proposals of the Commissioners as to selling agricultural land, Mr. Rolleston intended visiting the same before finally replying to the Commissioners. In January Mr. Rolleston, after having inspected the land, met the Commissioners, and asked them to set aside part of the land (some twenty thousand acres in the Waikaia, Wendon, and Wendonside Districts, which had been surveyed into 320-acre sections) for leasing under the perpetual-leasing clauses of "The Land Act 1877 Amendment Act, 1882," passed last session. After consideration the Commissioners unanimously decided to adhere to their former decision, and they wrote to the Minister to that effect.

The lands in question are now available for settlement, the leases having fallen in on the 1st instant. It is therefore imperative that it be dealt with at once. If not occupied a large portion of the Commissioners' revenue will be absorbed in keeping down the rabbits.

Of the 51,000 acres in the Waikaia, Wendon, and Wendonside Districts before mentioned some twenty thousand acres were set aside for lease under proclamation by the Governor, in terms of "The Otago and Southland Reserves Leasing Act, 1878," and some of it has been repeatedly offered for lease, with the result that only three sections were taken up.

In their application to the Government, before-mentioned, the Commissioners asked that the proclamation be revoked, in order that the land may be sold. The Commissioners telegraphed to the Crown Lands Office, Wellington, on the 1st instant, urging the Minister to take the necessary steps to have the land dealt with at once. In reply to this the following telegram has been received: "Wellington, 2nd March, 1883.—Chairman, School Commissioners, Dunedin.—Your telegram of yesterday urging immediate dealing with lands Waikaia as recommended by School Commissioners will be attended to as soon as Mr. Rolleston returns here. Meanwhile County Council of Southland and Mr. Arthur have been invited to co-operate in opening of blocks by roads.—J. MCKERROW, Secretary of Lands."

8th March, 1883.

WILLIAM H. REYNOLDS.

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