

(3.) DEBENTURES AND DEBENTURE INTEREST.

Debentures.—Amount redeemed to the 31st March, 1899, is £125,000, and funds are available for the payment of a further £25,000.

Debenture Interest.—£90,075 0s. 10d. has been paid for the year to the 31st March, 1899, and was provided for as under, viz. :—

	£	s.	d.
From surplus for 1898	7,697	0	0
From surplus of operations	37,064	0	0
From statutory payment by bank	50,000	0	0
	£94,761	0	0

Leaving a surplus of £4,686 to carry forward to next year.

(4.) REALISATIONS.

The sales for the period 1895 to 1898, totalling £309,907 (including Rangiatea and Okauia, sold 1898, but paid for and included in realisations for 1899), were the subject of inquiry in the House of Representatives last session in respect of deficiencies on book cost, and it was desired for this year that a return should accompany the balance-sheet which would show this detail. Statement for 1898-99 is attached to the balance-sheet :—

	£	Deficiency on Book Cost (including Realisation Expenses, &c.).	Book Cost. £
Sales of properties finally closed March, 1895-98 (including Rangiatea and sales of stock)	247,160	106,953	354,113
Properties partially sold, 1895- 98 (including Okauia) ...	62,747		
	£309,907		

The sales for the year ending 31st March last, totalling £105,318 (including stock on properties finally closed, and omitting Rangiatea and Okauia referred to above), must, I consider, be looked upon as satisfactory when the condition of market is taken into account. The proportion of sales to book cost (£2,731,706) is 15·20 per cent., and to land-tax valuation *plus* 10 per cent. for sundry properties, and my valuation for station properties, which together total £1,895,179, it is 21·91 per cent.

Notwithstanding adverse criticism in the public prints, I consider that good progress has been made in the realisation, and no opportunities of placing properties at fair times values have been missed. Cases have been quoted where we are said to have refused good offers. In some instances the properties referred to were not ours—some confusion existing in the public mind as between our and the Estates Company's properties. In others the so-called good prices have been very considerably exceeded in the subsequent sale. I am not aware of one instance in which an offer having been refused we have failed to do better.

It has been urged by many that we are not selling fast enough. Comment, however, page 182, 2nd August, 1898, in *Hansard*, would convey that in some quarters it is considered the Board is too precipitate. I can, however, only refer to my evidence before the Parliamentary Commission of 1895 and say that the course of realisation is up to my expressed opinions on the subject. It must be borne in mind that the assets handed to the Board were not of the description most speedily realisable or it is probable that they would not have remained so long on the books of the Estates Company, and consequently buyers for this class of property are more limited than for those of a more readily saleable nature. It must also be remembered that the Board only took office three years since, viz., 31st March, 1896.

The Board's conduct of sales has been guided by the desire to realise as speedily as possible, consistent with fair and proper considerations for the inseparable interests of the bank and the colony. The localities of sales and amounts are shown as follows, viz. :—

	Estates.	Farms.	Town Sections.	Suburban Properties.	£
Auckland	3	62	507	45	99,557
Canterbury	2	34	15	62	155,621
Hawke's Bay ... ..	...	...	9	...	2,304
Otago	2	5	466	90	56,067
Marlborough ... ..	...	2	62	4	7,869
Wellington ... ..	...	16	20	1	65,350
					£386,768
Sundry proceeds: Sale of iron and furniture, fire insurance recovered, &c.					5,304
Stock sales on properties finally closed					23,153
					£415,225

(5.) TOWN AND SUBURBAN LANDS.

There has been good demand for town and suburban properties during the year, and we have held auction sales to suit the demand.

(6.) COUNTRY LANDS

Have not, for the properties we hold, had the same attention, but we have placed a fair proportion notwithstanding, viz., 25,325 acres, aggregating £85,783, or an average of £3 7s. 9d. per acre.