

Should no purchaser be found within two years, the mortgagee must then put up the land for sale through the Registrar of the Supreme Court, and at this sale he should have the right to buy in. If he is obliged to buy in, he should become the owner of the Crown lease without having to make the declaration, and without having to personally reside, such other restrictions being provided for as may be thought desirable.

In the case of banks, insurance institutions, &c., as mortgagees, it would be impossible for them to reside or to make the declaration so far as area is concerned, as it might always happen that they owned more land than allowed under the Act.

In amending the Act, it should be made absolutely clear what a mortgagee's position is, what he may do, and what he may not do, and under what circumstances—if at all—his interest in the leasehold can be forfeited.

DESTRUCTION OF PROPERTY BY RIVERS.

Evidence was forthcoming in many districts regarding the damage done by rivers in washing away valuable land of Crown tenants, in some instances to a considerable extent. It is manifestly unfair that areas thus destroyed should continue to be subject to rental, rates, or taxes.

RENT SINKING FUND.

Considerable evidence was given of tenants wishing to pay off some of their capital in good years, and so prepare for bad times. I would recommend that Crown tenants should be allowed to pay into what might be termed a rent sinking fund any amount they wish to stand against future rents, the Government allowing interest on the balance standing to the credit of the tenant at the same rate per cent. as he pays on the capital value of his holding. A system of this kind would be of great advantage to the settler by allowing him practically to prepay his rent for a number of years and still lose nothing on the investment.

J. L. JOHNSTON.

EDUCATION RESERVES.

There were a number of tenants of education, school, and college reserves who gave evidence to the effect that, while they had no objection to urge against the School Commissioners *per se* as to their administration, yet they felt aggrieved at the limited power and discretion they exercised in the matter of improvements, and generally the want of elasticity in dealing with exceptional circumstances, and the wish was expressed to come under the administration of the Land Board, and so obtain the greater advantages of the tenures under "The Land Act, 1892." But for the fact that the School Commissioners have long been administering these education reserves, and necessarily have acquired much knowledge in connection therewith, it would seem that the education reserves could very well be administered by the Land Boards, seeing that all surveys, plans, and technical work are executed by the Lands and Survey Department, and that some of the Commissioners of Crown Lands and some of the members of the Land Boards are also School Commissioners and that practically the main function of the latter is to collect the rents and pass them on to the credit of the Education vote. It seems an unnecessary duplication to have both bodies working in the same district with their respective inspecting officers crossing each other in their visits to the several properties. Now that the receipts from the reserves are colonially applied, no doubt one body in each land district would be deemed sufficient for the duties now performed by the two.

We concur in this paragraph on education reserves.

JAMES MCKERROW.
ROBERT HALL.
WILLIAM WILSON MCCARDLE.
WILL B. MATHESON.
W. A. MCCUTCHAN.
J. L. JOHNSTON.

We now return to Your Excellency the Commission with which you honoured us, together with this report. The evidence and Appendix are being printed, and will be forwarded to Your Excellency as soon as possible.

Signed, for and on behalf of the members of the Commission, by

JAMES MCKERROW, Chairman.
J. L. JOHNSTON.
W. W. MCCARDLE.
WILL. B. MATHESON.