

Some additions to the accommodation at Rotorua have been made, as detailed in Mr. Malfroy's report, given in the appendix hereto, and a considerable addition is contemplated at Hanmer to provide much-needed accommodation for the large number of visitors who take advantage of the benefits to be derived from the curative properties of the waters. Further planting and other improvements are also contemplated at both places, to increase these already attractive places. The expenditure is fully warranted by their growing popularity and usefulness, some evidence of which is to be found in the fact that at Rotorua the number of visitors to the district increased from 2,500 in 1891 to 2,885 in the twelve months ending 31st March last. When the railway is opened to Rotorua we may expect this number to be much increased, whilst, with the acquisition of a complete title to the Township Block, accommodation for all classes of visitors will be greatly improved. In the position in which the lands are at present, the department is most unwillingly obliged to decline the many applications for building-sites that are received. Full particulars as to the Hanmer Springs will be found in Dr. Ginders's report dated 31st August, 1891, and published in the Appendix to the Journals of the House, H.—61, 1891.

STATE FORESTS, ETC.

At the date of last report the area of forests reserved for climatic and economic purposes was 1,327,533 acres: since then two portions, of 4,000 acres and 4,600 acres respectively, have been resumed for settlement purposes, leaving the gross area at 1,318,933 acres.

During the past year no serious fires have occurred in the forests, but some areas which had been previously burnt have been sown with grasses, which are doing well, and from which it is expected some rents will be derived this ensuing year.

Reports will be found in the appendix hereto relating to the Waerenga wattle-plantations in the Waikato district, and on the Papataua experimental grounds, belonging to the Whangarei County Council, but which is subsidised by the Government. No report, however, has been received from the Whangarei High School Governors, who have charge of the Kioreroa plantations, and are also subsidised by the Government.

The amount received for kauri-gum licenses during the year was £171 for 342 licenses.

AGRICULTURAL BRANCH.

In this branch of the department Mr. Sawers has continued his instructions and lectures on the art of cheese- and butter-making in many districts of the colony with marked success. For a part of the year he was assisted by Mr. Sorensen. Their reports will be found in the appendix hereto, and both give valuable information to the producer and exporter of cheese and butter. It will be observed from Mr. Sawers's report that the export for the twelve months ending 31st March last was £286,102, against £207,687 for the same period, 1891. Mr. Hanlon was appointed fruit expert in January last, and has since then been engaged in lecturing and giving instruction in fruit-growing of all kinds. His report for the three months will be found in the appendix attached hereto.

New Zealand Flax.—In the early part of last year the Agent-General was desired by the Government to ascertain what were the uses to which the *Phormium tenax* was applied, what were the prospects of a continued demand for it, and what was the possible annual output of manilla and sisal, and the cost of production in each case, so as to arrive at some knowledge of the position New Zealand might be able to hold in competition with those fibres. He was also requested to inquire as to the methods of dressing manilla, sisal, and other hems, in order to, if possible, find out some process less expensive than the present one for producing marketable fibre. Tow from New Zealand flax has also formed the subject of inquiry as to whether it could not be put to some profitable use instead of, as at present, being burned. Two experimental shipments have been sent to paper-makers—one to Messrs. Parsons and Co., of New York, and one to Messrs. Cowan and Co., of Edinburgh, both of whom are large manufacturers of paper, and who have kindly agreed to give the tow a trial.

Potatoes.—With a view to improve the quality of this root a small supply of seed of the "Bruce," "Magnum," and "Main Crop Kidney" varieties has been ordered from Home, and should arrive here in time for next season's planting. All of these kinds have a high reputation as great bearers and fine eaters. The "Bruce" is already grown in small quantities by Mr. Dunn, of Maitāwhiri.

On the 31st March, 1892, the Agricultural Branch of the department was handed over to the Stock Department, and will be administered by Mr. Ritchie in future.

SURVEYS.

As already mentioned, the termination of the "Survey year" has for the first time been brought into accord with the "Land year," and hence the returns attached to this report are for a period of nine months only.

The following is a summary of the field-work performed by the department during that period, greater detail of which will be found in the table accompanying this report:—