

grounds adjacent, by planting and the making of further paths. These grounds are already a great attraction, and will become in time beautiful places. The principal addition, however, to the thermal establishment at that place was the building of a ladies' swimming-bath 49 ft. long, 24 ft. wide, and 4 ft. deep in the deepest part. This bath is much appreciated by visitors. Repairs and renovations have also been made to the other baths where necessary. The establishment can now accommodate a large number of visitors, who year after year are making use of the baths in increased numbers.

A survey of the Rotorua Township for the purpose of affording an efficient drainage scheme has been made by Mr. Robert Hay, and plans and specifications will shortly be ready on which to invite tenders.

At Whakarewarewa, near Rotorua, the portion of land which was purchased by the Government has been much improved by making paths, planting, and by building a bridge over the stream suitable for wheeled vehicles.

During the year the department lost the services of Mr. Camille Malfroy, who had been engaged in supervising the works connected with Rotorua since 1886. Mr. Malfroy died in harness, being at his work, in which he took the deepest interest, to within a day or two of his death. During the time he was resident there he advanced the interests of Rotorua by his skilful development of the natural thermal forces of the place and every other means in his power. His death was a serious loss to the Government. Mr. Reany, the Government Road Surveyor, has taken over the late Mr. Malfroy's duties for a time.

At Hanmer Springs, in northern Canterbury, many improvements have been made, and a largely-increased attendance has taken place. A massage-room has been added to the establishment, awnings erected over the two swimming-baths, and additional water-supply laid on. The great drawback to the profitable use of these springs is in process of being removed by the erection of a commodious sanatorium near the baths, where sufferers unable to walk or drive far will be close to the springs. There is also an accommodation-house being built by private enterprise a short distance from the entrance to the ground. Hitherto visitors could not obtain lodgings nearer than a mile and a half away. The place is becoming the resort of many people other than those who seek the baths for remedial purposes, the fine climate and mountain scenery making it an attractive place to spend a few days.

The following is a comparative statement of the baths taken at Rotorua and Hanmer :—

Place.	1892.		1893.		1894.		1895.		1896.		1897.	
	No. of Baths.	Fees.	No. of Baths.	Fees.	No. of Baths.	Fees.	No. of Baths.	Fees.	No. of Baths.	Fees.	No. of Baths.	Fees.
		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.
Rotorua ..	17,521	277 13 1	17,838	288 7 0	17,032	313 4 6	23,196	434 11 3	28,906	502 17 0	33,158	631 0 0
Hanmer ..	7,311	258 17 8	7,530	242 19 2	6,923	217 18 5	6,306	202 17 6	7,781	240 4 8	9,627	290 4 9

CHEVIOT ESTATE.

The Commissioner of Crown Lands, Canterbury, reports that this settlement is progressing, and that the conditions under which the leaseholds are held are being very well fulfilled. Although the settlers have suffered from a dry season, they seem to have made very considerable improvements, and are evidently men of a *bonâ fide* character, all but two having fully complied with the requirements of their leases as to improvements, and only nineteen were not residing on their sections, but were living with their relatives adjacent to their holdings. The estate is held by 213 persons. The estimated population is 930 souls, who had, on the 1st January, made improvements to the amount of £47,295.

The annual rental payable on the 1st January last was £14,631 6s. 3d., of which only £92 7s. 8d. was in arrear on the 31st March.

The following will show, in brief, the state of the Cheviot Account :—

Outlay.	£	Income.	£
Balance from previous year ..	271,726	From freeholds disposed of ..	437
Road-construction ..	342	Rents paid and accrued to 30th June, 1897 ..	14,620
Landing service, administration, and contingencies ..	654	Interest ..	233
Interest paid and accrued from 18th April, 1896, to 18th April, 1897 ..	8,866	Shipping and port charges ..	869
		Balance ..	265,429
	£281,588		£281,588

From the above statement and those of preceding years it will be seen that the cost of the estate to the country is gradually decreasing. The returns from the estate have paid off all the money spent in improving it, with the exception of £5,200, exclusive, of course, of the purchase-money, which was £260,220. At the present rate of decrease it would seem that the whole of the cost will be recouped to the State in about fifty-two years.

If we deduct from the cost of the estate and the sums spent in improving it the proceeds of cash sales, there remains a balance of £282,186. The rents, &c., receivable will give a return of 5·2 per cent. on this sum.