

from a southern invasion. With a portion of the fencing material on hand, it is also proposed to at once erect about six miles of fencing on a portion of Te Akatarawa, and thus confine the infested country there within its present limits, at the same time assist in reducing the rabbits in that part of Canterbury by preventing them from spreading when the work of destruction is being carried out. I have for some time looked upon this piece of fencing as a work of necessity, more so than any of the other lines in course of erection.

In the Otago District there is nothing out of the ordinary routine to report. The pest may be considered well kept in check, but no more so than is annually the case; and the few places where a temporary increase has occurred will be vigorously dealt with during the ensuing winter. In Wallace and in parts of Southland Districts improvement is still reported, but little or no headway can be made in the huge areas of country bordering the Wakitipu and Wanaka Lakes.

CROWN LANDS.

These still create the largest expenditure the department has to meet, and my remarks upon that subject in last year's report, wherein I showed at length the peculiar position this department holds in reference thereto, are still equally applicable.

NATURAL ENEMY.

Authority having been given to purchase all ferrets bred at a certain price, ferret-breeding has been largely gone into, with the result that over 3,600 ferrets have been bred under the conditions of contract; these have been distributed as follows: In Otago, 2,755; Canterbury, 367; Marlborough, 480. Independently of these, over four thousand have been liberated by private owners; of this number about seven hundred were released in the North Island, the remainder in the South Island. The reports received of the benefits derived from ferrets are generally very satisfactory, and I fully anticipate that the number bred and released next summer will establish beyond doubt the usefulness of the ferret as a factor in the destruction of the rabbit.

A shipment of 94 stoats and 225 weasels has been recently imported, and, with the exception of twenty, which were released on Crown lands at Clarence River, the remainder were released on the boundary of Canterbury and Otago; besides this shipment several have arrived for private owners: and from the above it will be seen that both by importation and local production the greatest stride of testing the utility of the natural enemy has been made this season.

Together with the means already recorded, resource has at last been had to science, and a delegate sent to attend and report upon the investigations now being made in Australia as to the feasibility of introducing disease as an exterminator. The reward offered by the New South Wales Government has had a most beneficial effect; suggestions of all kinds have been received by the Commission from all quarters, and I am firmly of opinion that it will be from this source that our ultimate relief will come. One thing is positively certain that all means employed up to the present time will be duly weighed and their value rightly appraised or determined; under any circumstances a fund of valuable information will be obtained that must tend to operate beneficially, but some months will elapse before the results of the Commission can be known.

It is satisfactory to be able to show a slight increase in the number of sheep depastured on what were the worst-infested runs of the South, and this on unimproved as well as improved lands; but more than this is wanted; at present the expense of keeping the pest in check is still too great a tax on simply pastoral country.

A statement of expenditure is attached herewith.

I have, &c.,

BENJ. P. BAYLY,

Superintending Inspector.

The Hon. the Minister of Lands, Wellington.