

QUEENSTOWN.

In my opinion, this township will be the recognised tourist centre of the South Island as Rotorua is of the North Island. Comparatively speaking, little has been done to beautify and make the township attractive to visitors. With the advent of the Government steamer and cheaper fares there should be an ever-increasing flow of tourists to this district. The peninsula on the east side of the township and the Esplanade, which are now practically forests of eucalypti, should be properly laid out as a park and esplanade respectively, and be improved during a course of years by judicious expenditure. I would recommend that the Town Council should be subsidised and required to carry out the work under the supervision of this Department. I would also recommend that a track about two miles in length should be made to the top of Queenstown Hill, which affords a magnificent view.

It is proposed to subsidise the Queenstown Brass Band for playing on specified evenings during the tourist season, the same as is done at Te Aroha and Rotorua; also to build a band-rotunda on the Esplanade, as part of the improvement scheme. A sum of money should be spent annually on the newly made road along the western shores of Lake Wakatipu until it reaches the Seven-mile, when it could be extended at very small cost to Moke Lake. A jetty is required at Elfin Bay, Lake Wakatipu, for use of visitors to Rere Lake. Items will be placed on the estimates for carrying out these works. Other improvements which are considered desirable may be allowed to stand over in the meantime.

LAKE TE ANAU.

The road between Lumsden and Lake Te Anau is in good condition, excepting for a few miles near the lake. Some distance could, I understand, be avoided on this journey by a road-deviation from Whitestone River to Lake Te Anau, instead of going *via* Linwood Station homestead. The formation necessary would, I am informed, amount to little more than the removal of tussock grass.

The question of rearranging the coach service between Lumsden and Te Anau in order to form a better connection with the arrival of the Melbourne steamers at the Bluff is now under consideration.

The owner of the steamer "Tawera," has been paid a subsidy of £200 per annum for running this steamer, in addition to a postal subsidy of £2 2s. for trip. I propose that for this year the subsidy from this Department should be £100.

During the last year a good track, 6 ft. wide, of easy grade, and gravelled, has been completed between the head of Lake Te Anau and Milford Sound. New huts have been built on this route as follows: Two each at Midcamp and Mintaro, with bunks for sixteen persons in each hut. Ross Brothers will continue to act as guides for this trip, providing food and other requisites as necessary.

The visitors to Lake Te Anau, not including roadmen, have been as follows: 1900, 103; 1901, 156; 1902, 169.

LAKE MANAPOURI.

Arrangements have been made to build a jetty on the northern bank of the Waiau River for convenience of passengers using the steamer on Lake Manapouri. A good track exists between the head of this lake and Doubtful Sound. Mr. Murrell acts as guide, and provides food and other requisites for the journey. There are Government huts at the head of Lake Manapouri and at Doubtful Sound for the use of travellers.

It is proposed to pay the usual subsidy of £50 to Mr. Murrell for keeping open View House, and £50 to Mr. Dore for running the steamer "Titiroa" on the lake.

The visitors to this lake have been as follows: 1894-95, 82; 1895-96, 139; 1896-97, 91; 1897-98, 121; 1898-99, 162; 1899-1900, 103; 1900-1, 153; 1901-2, 169.

MILFORD SOUND.

Mr. Donald Sutherland intends placing a steam-launch on Milford Sound before next season. It is proposed to grant him the usual subsidy of £50 for guiding, and an additional £50 for providing a steam-launch service at Milford Sound. The two Government boats of Lake Ada were repainted during last season.

STEWART ISLAND.

This Department is now negotiating with Mr. Traill for the purchase of two huts, situated at Paterson's Inlet, for the use of tourists.

DEVELOPMENT OF PRINCIPAL ROUTES.

I am of opinion that the undermentioned principal routes require vigorous development:—

1. Auckland to Auckland, *via* Wairoa River and Whangarei.
2. Auckland to Wellington, *via* Te Aroha, Rotorua, and Wanganui River.
3. Wellington to Christchurch, *via* Blenheim, West Coast, Buller, and Otira Gorges.
4. Christchurch to Hanmer Hot Springs.
5. Timaru, *via* Mount Cook, Lakes Wanaka, Wakatipu, Te Anau, and Manapouri to Invercargill.
6. Invercargill, Stewart Island.

These tours, with their various side-trips, provide scenery that is most lovely, grand, magnificent, weird, and interesting, and which cannot be surpassed in any other country.

During the hot months in Australia there is a fair stream of visitors from there to New Zealand, and an increase in its volume may naturally be looked for as facilities for travel are improved. The most important factor in this connection is the steamer accommodation. Larger