

grass tennis-court, capable of accommodating simultaneously two sets of players, has been laid down. An excellent croquet-lawn has also been made.

A head gardener and one male and one female bath-attendant have been added to the staff during the year.

The revenue collected at Te Aroha for the year ending the 31st March, 1904 (the first complete year of the Department's control), amounted to £1,490 19s. The total number of baths taken was 40,330.

The revenue from this resort for the years ending the 31st December, 1902 and 1903, was £1,009 15s. 9d. and £1,030 7s. respectively.

It will be necessary to give considerable attention to Te Aroha's baths and domain during the current year. Nearly the whole of the buildings require painting, and repairs are necessary to several. No. 1 hot baths should be reduced in size in order to get the water to a required temperature. The wooden bath in No. 7 building used for skin-disease should be replaced by one of porcelain. The asphalt tennis-court requires levelling and reconstructing, and a landslip at the back of the bowling-green removed, and necessary repairs effected. The fence on both sides of the domain requires renewing; this should be done at an early date, as fowls and dogs now gain access to the garden and do much damage.

The following improvements are recommended:—

- (1.) Erection of summer-house over No. 15 drinking-spring, and erection of an inviting fountain at this spring, and also at the Octagon.
- (2.) Repairs to tunnel, and erection of vapour bath in connection therewith.
- (3.) Additions and alterations to administrative buildings to provide for a consulting-room for the Resident Medical Officer—a very urgent work—and to provide facilities for proper attention to public library.
- (4.) Reconstruction of the cold-water swimming-bath.
- (5.) Converting a small creek, now in a rather unsightly condition near Cadman Baths, into a series of small lakelets and cascades.

With these and a few minor matters attended to Te Aroha would be fairly well equipped to meet requirements in the immediate future.

ROTORUA.

It is essential in the interests of the whole colony that Rotorua should be made a first-class spa. Much has been done to scientifically develop the springs and to provide interests for visitors, but much still remains to be accomplished. Improved bath buildings with more up-to-date medical appliances, a purer water-supply, better accommodation for treatment of invalids, and a cottage hospital are in urgent demand. More must also be done in the way of providing amusements for visitors, more especially for invalids who are not able to move round the district to enjoy the thermal and scenic attractions. The Department's efforts to popularise Rotorua have proved most successful. The visitors by rail during the year 1903-4 numbered 16,956, as against 10,891 for the previous year, an increase of 56 per cent. The following table shows the progress made since this Department came into operation in 1901:—

Return of the Number of Passengers booked to Rotorua for Years ending 31st March, 1901, 1902, 1903, 1904 respectively, exclusive of Bookings from Flag Stations.

Year ending 31st March.	Ordinary.				Holiday Excursion.		Special Excursion.		Round Trip.		Total.
	Single.		Return.								
	First.	Second.	First.	Second.	First.	Second.	First.	Second.	First.	Second.	
1901 ..	666	1,458	551	718	395	1,236	175	157	144	106	5,606
1902 ..	1,080	2,161	923	1,877	884	4,806	..	..	199	192	12,122
1903 ..	1,530	3,659	1,081	2,099	370	1,039	106	421	200	386	10,891
1094 ..	2,080	5,058	1,176	2,886	671	2,389	132	1,694	309	640	16,956

To the above figures must be added the traffic overland from Wanganui and Napier, which is now considerable. The total visitors to Rotorua during the past year would probably exceed 20,000.

The Sanatorium.

A busier year than usual has been experienced at the Sanatorium. The receipts for accommodation and from doctors' out-patients amounted to £1,747 1s. 1d. for 1903-4, as against £1,306 13s. 3d. for the previous year.

I have again to draw attention to the unsuitability of the present building. It in no way meets the requirements of the place. The accommodation is insufficient, and what there is of it is not such as would induce persons used to comfortable surroundings to enter the institution for treatment. A larger and much more up-to-date building is required, one constructed and run on lines calculated to attract invalids from abroad. I am convinced that such an institution would be a direct financial success, beside providing what is an absolutely necessary equipment for a first-class spa.

Mineral Drinking-water.

During the year large quantities of Te Aroha drinking-waters have been conveyed to Rotorua, and placed on sale at a nominal fee. These waters have been in good demand and are much appreciated. The receipts from sales amounted to £48 17s. 10d.