

Medical Residence.—As I pointed out in my last year's report, this structure, being built of kahikatea, is riddled with worm, damp, and, for the major part, scarcely habitable. I have been compelled to keep my furniture warehoused for two years, as I dare not put it in the house.

Guide-book.—During the year I have prepared a guide to the use of the waters at Rotorua, which is now in the printer's hands. I hope to have similar books dealing with Hanmer and Te Aroha ready shortly.

Public Health, &c.—The health of the town has, on the whole, been distinctly better than last year. There has been a slight epidemic of dysentery, but cases have been neither so numerous nor so severe as last year. It is probable that the provision of drainage and a water-carriage system of sewerage will go far to diminish these epidemics, but the health of the town will never be assured until a purer water-supply is obtained.

Amusements.—There is still a great want felt amongst the visitors of "something to do." The wonderful "sights" provided by nature, and the beautiful gardens coaxed from a sulphur-bed by man, only partly fill this want. Invalids are often too crippled to go and see the sights, and the gardens are only for fine weather. I would suggest, amongst other things, the provision of a good professional band, and of zoological gardens, representative of the animals of New Zealand and Australia.

While fully acknowledging the excellent work of the two local bands and their sacrifice of time and trouble, I would point out that what is needed is an additional band, playing both in the morning and in the afternoon, and completely sheltered seats for the audience in case of bad weather. It would be quite out of the question for amateur bands to play all day and every day, as well as in the evenings. A harp, violin, and cornet would do very well for a start, and such a band, playing at intervals during the morning and afternoon, would not only do much to dispel the *ennui* of enforced idleness, but would tend to increase the receipts at the tea-house, and so partly to pay for itself.

Zoological gardens, with properly arranged and labelled specimens, would also be a great boon to the visitor, and need not be expensive, as many of the animals would be presented. If, instead of being penned in small cages, the animals were allowed a certain amount of freedom by being kept in large wired-in enclosures containing trees and shrubs, as in the excellent gardens at Dunedin, not only would they be more healthy, but they would afford more interesting exhibits. There is abundant space available in the Government Gardens for this scheme to be carried out.

The Museum of Maori Art, as proposed by the Superintendent of the Department, would also help to fill a great want, and I would suggest that it might be supplemented by stuffed specimens of the New Zealand birds, arranged in separate cases with their nests, eggs, &c., instead of being crowded promiscuously together. Also mounted specimens of the plants, timbers, and minerals of New Zealand might gradually be added. A full-sized war-canoe, fitted with raupo sails and paddles, and good specimens of small "dug-out" canoes would form a very attractive feature, and the former could be manned by our own Maori employees, and compete in annual races on the lake.

Golf-links might be laid out on Government land, and would be much appreciated by a very large number of visitors.

Whakarewarewa.—The only baths in charge of the Department here are the "Spout Baths." These are in a very dilapidated condition, and there is no proper means of regulating the temperature of the water, which is often dangerously hot. Again, a caretaker is paid for looking after the baths, which at the same time are free to the public. The whole position is anomalous. I would advise that the baths should be rebuilt, on a modest scale if necessary, and a charge made for their use. Persons unable to afford payment could still get a free ticket, as at Rotorua. I have already forwarded plans for a somewhat more complete set of baths at Whakarewarewa, should the Department see its way to a more liberal expenditure.

Value of Tourist Traffic.—It will be seen from the annual returns that money spent on Rotorua gives an immediate and direct return, but I would once more emphasize the point that the direct return is trifling compared with the indirect. Every year the visitors attracted to New Zealand increase in numbers, and no spot draws a larger cosmopolitan crowd than Rotorua. These visitors come to take away health and recollections of a pleasant holiday; they leave behind hard cash in payment.

What we are attempting to do on a small scale Switzerland has done in a large way, and the results there obtained must have a special interest for us. It has been computed by Herr Freuler, of Zürich, that 380,000 people visit Switzerland annually. In an average season they spend on railway and steamboat fares £675,000, and in board and lodging £3,800,000. The estimated capital investment is £22,000,000, and the average clear profit £2,475,000, or over 11 per cent. Owing to our isolated position we cannot hope to rival these huge figures, but from the same reason the average visitor stays much longer, and must necessarily expend more.

TE AROHA.

As I have already reported fully on the condition of the baths and springs at Te Aroha (*vide* preliminary report on Te Aroha), it is not necessary to do more than recapitulate the main points of that report.

As I pointed out, Te Aroha is essentially a spa for drinking the waters, as Rotorua is for bathing. Many of the baths are really excellent of their kind, and a comparatively small expenditure should serve to make Te Aroha thoroughly well equipped in this respect. A still smaller expenditure would supply clean and pretty drinking fountains in place of the existing primitive and unprepossessing pumps.