During the current year it will be necessary to provide proper consulting-rooms for the Resident Medical Officer, either by erecting new buildings or materially altering those now in existence.

A cold-water swimming-bath, constructed by the late Domain Board, has proved to be unsatisfactory, owing to the foundations being faulty. This bath should be reconstructed at the earliest possible date. The Domain will also require some further attention to improve its general condition.

The revenue from baths, library, and playing-grounds for the year ending the 31st December, 1902, amounted to £1,030 7s., as against £1,009 15s. 9d. for the previous year. The revenue collected by this Department from the 1st January to the 31st March, 1903, amounted to £440 2s. 4d.

Dr. Kenny, who was in charge of the Rotorua Sanatorium and baths prior to the appointment of Dr. Wohlmann, has been transferred to Te Aroha. The appointment of a Resident Medical Officer at Te Aroha should assist in increasing the popularity of the place as a tourist and health resort, and at the same time place at the disposal of the residents of the district the services of a qualified medical practitioner. The Resident Medical Officer will, in addition to attending to baths, &c., take up a general medical practice, there being no other medical officer in the town or its immediate vicinity. As the existing medical fees are somewhat high, a special report and recommendation respecting them will be submitted for your consideration. The report of the Resident Medical Officer will be found in the appendices to this report.

ROTORUA.

The scientific development of Rotorua's healing-waters and the beautifying of the town and its surroundings are amongst the important considerations engaging the attention of this Department.

The traffic to Rotorua has nearly doubled itself since 1901. For the year ending the 31st March, 1902, the total number of passengers booked by railway to Rotorua was 5,606; for the year ending the 31st March, 1903, the number was 10,891. Of these, 1,409 travelled at holiday-excursion rates; 527 on special excursions; 586 on round-trip, and 8,369 at ordinary rates. A great deal of this increase of traffic is doubtless to be credited to the endeavours of this Department to still further popularise Rotorua as a holiday and health resort. The visitors to Rotorua by the various coaching routes from the south and east are not included in the foregoing figures, as their numbers cannot be ascertained.

Dr. A. S. Wohlmann, of Bath, England, who was engaged by the Government as Balneologist, arrived in New Zealand in July last, and at once proceeded to Rotorua—being placed in charge of the baths and Sanatorium there. I am gratified to find that Dr. Wohlmann fully indorses my previous recommendations regarding the immediate necessity for new bath-buildings, the provision of a good hydropathic establishment, and the erection of a small general hospital. Reference to each of these matters will be found in Dr. Wohlmann's report in the appendices.

MAORI FEATURES AT ROTORUA.

One great factor in the attractiveness of this district is the Maori element. I am strongly of opinion that everything possible should be done to preserve and, where necessary, revive the picturesque Maori life. The study of Maori types and curious ways and customs comes second only to the geysers in their interest for visitors, particularly foreign travellers. But the lament of many a visitor has been that there is not enough of the Maori element in the landscape. For instance, the ugliest of little weatherboard shanties too often meet the eye where one might naturally expect to find a gaily painted and decorated whare of Native design. The foreshore of Lake Rotorua, in particular, is a place which should be made as pleasant to the eye as possible, and Maori decorative art might with great advantage be used in buildings in the vicinity.

Maori decorative art might with great advantage be used in buildings in the vicinity. This Department is doing what it can to foster the olden branches of artistic ingenuity and industry, more especially wood-carving. Employment is given to expert wood-carvers, and in a small way opportunity is taken of utilising Native designs and methods in buildings erected by the Department.

A successful effort has also been made to revive the Maoris' interest in the building of canoes, and the aquatic carnival held on the lake early this year included war-canoe races. At the carnival to be held next summer these races will be even more attractive, and as the only surviving contests between canoes fitted up in exact representation of the old-time carved and plumed war-craft of the Maoris they should attract not only New-Zealanders, but many overseas sightseers. A flavour of ancient tribal rivalry is introduced in the friendly emulation of the Waikato canoeists. Next summer Waikato propose to send their celebrated war-canoe "Taheretikitiki" to compete in the big races.

THE SANATORIUM.

As pointed out in my last annual report, the building at present used as a Sanatorium does not adequately meet the requirements of Rotorua. There is urgent need for a more up-to-date building, where paying patients can be given proper treatment under agreeable conditions.

I would recommend for the consideration of the Government that such a building should be provided to contain accommodation for not less than fifty patients, and that the existing building should be utilised for indigent patients and for those who cannot afford to pay the charges which would be necessary in a high-class spa. I am convinced that such an establishment would, besides meeting an urgent demand, prove highly remunerative to the Government.

would be utilised for inligent patients and for those who cannot allord to pay the charges which would be necessary in a high-class spa. I am convinced that such an establishment would, besides meeting an urgent demand, prove highly remunerative to the Government. In order to give Dr. Wohlmann more time to attend to balneological work, and to provide for proper attention to the Sanatorium and the baths during his absence from Rotorua, it became necessary to have a House Surgeon at Rotorua. Dr. W. B. Craig has been appointed to this post.