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at one time, should be one of the finest bathing establishments in the world. Also, apart from being an exceptionally fine recreational swimming-pool, it is hoped to make it the social rendezvous of Rotorua.

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Massage and Electrical Therapeutics.—The departments dealing with this work have been exceptionally busy, and are being maintained to the highest degree of efficiency and service.

Staff.—In making my report on the work carried out at this spa during the past year, I should like to acknowledge my deep indebtedness to the members of my staff, who by loyal and unfailing service have so materially helped me in carrying out my work as Government Balneologist.

Summary.—With every natural asset in climate, scenery, and natural mineral waters, and a judicious exploitation of these, I am convinced that this spa will be the finest in the world, and will do more to advertise the Dominion than any other attraction in this country.

WAITOMO CAVES.

The cash receipts amounted to £12,968, as against last year's return of £12,406. This shows an increase of £562, and had the weather conditions been more favourable to tourist traffic from Christmas to the end of January the increased returns would have been greatly in excess of the amount shown.

During the winter months our returns steadily increased over the corresponding periods of the previous year right through to the end of December, but from then on to the close of the financial year they decreased to as much as £200 a month. Besides the weather, no doubt, part of the falling-off was due to the fall in price of our two chief primary products, wool and butter.

During the year several notable parties of oversea tourists visited here—namely, British Empire farmers, of eighty members; Amalgamated Dairy Co., Ltd., of sixty members; Wheeler's Pacific Tours; Magic Isles party; Criswell party; and the English cricket team. All the members of the various parties were very complimentary in their praise of the enterprise of the Department in providing such a fine hostel and the general arrangements for the comfort of their guests.

The playing-grounds, tennis and bowls, which are being constructed by the Public Works Department, are now nearing completion, and will be a valuable asset to the encouragement of visitors to prolong their stay at the hostel, and when the golf-links are completed we will then be the most up-to-date hostel in this country.

The work of formation of roads and footpaths around the hostel has been completed by the Public Works Department, and that Department has now made a start on the work of tar-sealing the main road from the Hostel to the Hangatiki Railway-station, which, when completed, will provide a first-class road, so that visiting motorists will have no cause to complain about access to Waitomo Caves.

LAKE WAIKAREMOANA.

The main items of interest in the period under review were the visit of the viceregal party in connection with the opening of the Waikaremoana hydro-electric scheme, the delivery of the new passenger-launch, and the completion of the Waikaremoana-Rotorua Road.

On the 20th November the Governor-General, Sir Charles Fergusson, accompanied by Lady Alice Fergusson, was taken for a short trip on the lake. The party landed at Hine Kura Bay, in the Wairau arm of the lake, where afternoon tea was provided. The run back to the Outlet concluded a very successful function and a break in the usual routine, which was greatly appreciated by Their Excellencies.

The passenger-launch "Ruapani" was launched on the 23rd January. The increased size and comfort of the vessel has been the subject of much favourable comment by visitors.

The new road from the lake to Rotorua has been opened, and, although a considerable amount of work still remains to be done, quite a number of cars have made the journey through. This speaks well for the future popularity of the road, which, according to all reports, is the finest scenic route in the North Island and one that will carry an enormous amount of traffic next season.

The unseasonable summer which has been experienced, and also, to a certain extent, the general financial stringency, have adversely affected the number of visitors to the Hostel, particularly those drawn from the Poverty Bay and Hawke's Bay districts. On the other hand, there has been a marked increase in the number of visitors from other parts of the Island, so that, given an average summer, the coming year should be a record one for this resort.

During the early part of the season a considerable amount of time was devoted to improving the camping-ground, and the returns have amply justified it. During the Christmas holidays, in spite of the indifferent weather, there were as many as a hundred people under canvas at once. There is no denying the fact that the motorist camper has come to stay, and in due course should become a lucrative source of revenue to the Department.

The fishing up to the present has been excellent, the season's record bag of 158 fish having been taken by three rods in six days. Some magnificent fish have also been taken from Lake Waikere-iti, the smallest being 9 lb. and the largest 19 lb.—a local record.

Beautiful weather prevailed for the deer-stalking season, and, although heads were numerous, the quality was not above the average, the best—a fourteen-pointer—falling to a local sportsman.

In conclusion, the Hostel and grounds have been maintained in good condition, and all plant and equipment in good working-order.