A number of small oak-trees raised from seed from the Royal Windsor Park were planted on Arbor Day. A public function at which His Worship the Mayor (Mr. V. Jackson) officiated was held. A fine collection of native plants has also been raised in readiness for planting in the coming spring.

Cut flowers have been forwarded at regular intervals to Waikaremoana Fotel and to other departmental institutions. A supply of bedding-out plants was also forwarded to the Chateau, Mozere Hot Springs, and the publicity studios at Miamar, Wellington.

All paths, drives, hedges, verges, &c., have received the usual seasonal attention and been maintained in good order.

Reserves.—Rock walls have been erected at certain points in the Kuiran Reserve to protect pedestrians. In this reserve a belt of native trees has been planted and is doing well. This will be a definite improvement when the trees are fully developed.

At Whakarewarewa all paths have been dressed with pumice and water-tables received the necessary attention. Boundary fences have been overhanded and now are in reasonably good condition in all reserves. Noxious weeds have been kept in check, and generally all reserves under the Department's control have been maintained in good order.

Balneologist, Rotorua.

The Balneologist reports that in all sections of the financial returns receipts show a gratifying increase. The year has been an exceptionally busy one; a considerable number of overseas travellers have visited the spa to take the "cure."

Sanatorium. The resources of the institution have been inadequate to deal with the numbers of patients requiring treatment. The Sanatorium has a bed-state of forty beds, but the average number of patients throughout the year has been 41-74 and at times by installing beds on the verandas, the accommodation has been extended to 52. At the present time there are 15 patients awaiting admission.

During the year approximately 12,000 baths and 14,000 special treatments have been given to Sanatorium patients, and the number of complete cures and alleviation of chronic cases has testified to the value of the spa work.

The Main Baths. During the past year this establishment has been taxed to the utmost.

Massage and Physiotherapy. The massage staff has been very busy throughout the year. With the steady increase of patrons for treatment, space for service has become very restricted.

Buildings.—Five new dressing and pack rooms and a staff room have been added to the women's Aix and pyretic departments, and this has relieved the coagestion in this section. During the past five months considerable structural alterations have been carried out in the main bath building.

Summary. This past year, with its increasing number of patients, has shown all too plainly the need for a larger and more up-to-date establishment.

MANAGER, WAITOMO CAVES AND HOTEL.

The Manager reports that the year has been a record one as far as revenue is concerned, the figures being nearly $8\frac{1}{2}$ per cent. higher.

Visitors.—Approximately 24,000 people visited the caves and 9,700 stayed at the hotel. The stream of visitors to the hotel has been steady, but, apart from a few days at Christmas and on cruise nights, very few people had to be turned away. It has been noticeable this year that more people have stayed for longer than the usual one night, and quite a number stayed for a week or longer.

Improvements, Buildings, &c.—Practically all the necessary repairs have been carried out by the staff.

Freezing-plant.—During the year the old-fashioned freezing-plant has been pulled out and replaced by modern frigidaire equipment. Apart from being much cleaner and more efficient there is practically no noise from the new plant. This is a contrast to the old machine, as people were continually complaining of the noise, and it had to be stopped altogether at night-time.

Farm.—There have been practically no losses as far as farm stock is concerned, and the hotel has been supplied with milk and cream throughout the year. From twenty to thirty pigs have been kept, and as it costs nothing to feed them there has been a profit of over £100.

MANAGER, LAKE HOUSE, WAIKAREMOANA.

The Manager reports that there has been a further increase in the number of visitors compared with 1937-38 season, and again, in spite of additional bedrooms, the shortage of accommodation has, at rush periods, been very acute. The new additions have been much appreciated by the guests.

The new cooler installed before Christmas is a big asset. The camping-ground has been exceptionally well patronized. All huts are already let for next Christmas holidays.

The regatta was once again a most successful gathering, outboard and inboard motor boats coming from all parts of the North Island to compete.

The house outbuildings, grounds, boats, huts, &c., have been kept in good order throughout the year.

CARETAKER, MORERE HOT SPRINGS.

The Caretaker states that early in the year there was fairly extensive flooding, and this, together with the main highway being closed for a period, caused a slight shrinkage in revenue. However, Morere has become very popular. Apart from the baths, hundreds of visitors express appreciation of this scenic resort.

THE MANAGER, MILFORD TRACK AND HOTEL.

The Manager reports that the Milford Track route has been well patronized during the past season. The number of visitors exceeded any previous year, and accommodation, both at the huts and the Hotel Milford, was crowded.