

ANNUAL REPORT.

Following the peak period of the Dominion's tourist traffic, reached in the 1939 season, when 21,762 overseas tourists visited New Zealand, leaving the record amount of approximately £1,500,000 in extra revenue, came the outbreak of hostilities in Europe, causing a serious curtailment in the flow of visitors from the United Kingdom, with a corresponding falling-off in arrivals from other parts of the world. The following figures have been supplied by the Government Statistician regarding the numbers and country of origin of tourists over the past three seasons :

	1938-39.	1939-40.	1940-41.
Australia	16,692	3,951	1,781
United Kingdom	2,105	795	210
Other British countries	1,705	1,439	1,305
United States of America	783	380	215
Foreign	477	326	289
	21,762	6,891	3,800

One result of the war has been to turn the attention of residents in India, China, and the Malay States to the fact that this Dominion offers attractive possibilities for those going on furlough and who are at present debarred from making the usual trip to the United Kingdom. Thus the Government Statistician is able to record the arrival this season of 451 visitors from the Straits Settlements, 77 from Hong Kong, and 322 from Fiji. These numbers are, of course, included in the totals given above under the heading "Other British countries." This southward movement has been encouraged through the distribution of special literature prepared by the Department in anticipation of this happening. Without exception, these visitors from the East have expressed themselves in gratifying terms of the treatment accorded them during their stay, and have announced their decision of returning as soon as opportunity permits.

A satisfactory feature of the travel business locally is that New-Zealanders have been visiting the main resorts in increasing numbers, and this has helped to balance to a certain degree the falling-off in overseas traffic.

The Centennial Exhibition, which concluded in May, 1940, proved a valuable means of bringing the Department's travel service and the wonderful attractions of the Dominion to public attention. The Department's court and general display was the centre of considerable interest during the duration of the exhibition, and resulted in a great deal of extra booking to the various resorts.

Overseas offices of the Department are all having their returns of tourist business considerably affected by present world conditions. In America the general trend is to confine travel to the United States, Canada, Mexico, and South American countries, so that only a comparatively small percentage now undertakes the journey to Australia and New Zealand, in contrast to the steadily growing figures of the past few years.

The New Zealand Tourist and Trade Commissioners in the United States and Canada are continuing their policy of spreading a wider knowledge of this Dominion, and are making use of a necessarily limited amount of advertising apart from lectures, film displays, and the distribution of suitable literature, &c. This is most important in order not to lose the ground already gained through several years of sustained effort.

The result of the Department's participation in the New York World's Fair was to introduce the Dominion in a big way to millions of visitors from all parts of the eastern States and from abroad, and the effect of this is certain to bear good fruit in the future.

PUBLICITY.

The main feature with regard to publicity during the past year was the display made in connection with the Centennial Exhibition held at Wellington, and ending in May, 1940. All manner of modern media was employed for this, and the Department's exhibit came in for most favourable comment on all sides. There is no doubt that the publicity gained from the display resulted in New-Zealanders gaining a much wider knowledge of what the Dominion has to offer in the way of unrivalled scenic attractions, and also made known the value of the excellent booking system and other travel arrangements provided by the Department's Bureaux and Agency offices.

The judicious distribution of suitable literature and advertising material, including lantern-slides, films, &c., has been continued on a necessarily much reduced scale during the year. In India, China, and the East generally, a growing demand has been experienced for information of this nature, and many people who in happier circumstances would have spent their usual furloughs in the United Kingdom have visited this Dominion instead. The effect of this on future traffic to the Dominion should be of the greatest value, and it is already learned that arrangements have been made in some cases by British parents to send their children to New Zealand for educational purposes.