

1938.
NEW ZEALAND.

DEPARTMENT OF TOURIST AND HEALTH RESORTS AND PUBLICITY

(ANNUAL REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

The Hon. the MINISTER IN CHARGE OF THE DEPARTMENT OF TOURIST AND HEALTH RESORTS AND
PUBLICITY to HIS EXCELLENCY THE GOVERNOR-GENERAL.

Wellington, 1st August, 1938.

I HAVE the honour to submit to Your Excellency the report of the Department of Tourist and Health
Resorts and Publicity for the year ended 31st March, 1938.

FRANK LANGSTONE,

Minister of Tourist and Health Resorts and Publicity.

His Excellency the Governor-General of New Zealand.

ANNUAL REPORT OF THE GENERAL MANAGER OF THE DEPARTMENT OF TOURIST
AND HEALTH RESORTS AND PUBLICITY.

Wellington, 26th July, 1938.

SIR,—

I have the honour to submit the following report on the organization and work of the
Department of Tourist and Health Resorts, with which is now incorporated the Publicity Department ,
for the year ended 31st March, 1938.

I have, &c.,

L. J. SCHMITT, General Manager.

The Hon. Frank Langstone, Minister of Tourist and Health Resorts and Publicity.

ANNUAL REPORT.

THE rapid development of the tourist industry in recent times has been largely due to the progressive improvement in various forms of transport, notably the facilities provided by steamship and railway companies for comfortable travel, the development of air and motor services, and the vast improvement which has taken place in road-construction in many lands.

The past twenty years have seen the inauguration of passenger air services, the development of motor transport on a large scale, and the start of the modern cruise trend, all of which have done much to popularize travel throughout the world.

Another factor that has had a definite influence on the travel movement is that of special publicity by almost all countries concerned in encouraging foreigners to visit their shores. The promotion of local travel has also been intensified.

The tourist industry is now recognized by all nations to be a most lucrative one, the benefits of which are widely and readily distributed amongst the various communities; in fact, so important has the industry become to some countries that the expenditure of tourists from foreign lands has become an important factor in the balance of international payments.

In this connection it has been reported that one European Government proposes to spend next year at least £200,000 exclusively in tourist advertising, that the Government of South Africa appropriated last year the sum of £75,000 for a similar purpose, which amount was supplemented by £25,000 raised by the South African Travel Association, and that the various States in the United States of America spend very large sums annually in internal travel promotion.

During the year 1937–38 three new advertisers commenced operations in the North American territory—viz., the French Government Tourist Bureau, the Hungarian State Tourist Department, and the Egyptian State Tourist Department.

In New Zealand the general improvement in travel facilities to, and within the Dominion, together with a progressive publicity policy during recent years, has had an appreciable effect in developing the industry, and it is significant that the number of tourists visiting this country during the year ending the 31st March last exceeds the number for the year 1924 by 163 per cent.

The year covered by this report has been a record one for travel to, and within, the Dominion, the number of tourists from overseas being 19,532, an increase of 13 per cent. over the previous year.

The Government Statistician has supplied the following figures regarding the number of tourists visiting New Zealand from abroad:—

	1935–36.	1936–37.	1937–38.
Australia	10,083	12,802	14,502
United Kingdom	1,830	2,138	2,175
Canada	175	165	201
Other British colonies	1,163	1,138	1,488
United States of America	647	683	724
Foreign	386	371	442
	<u>14,284</u>	<u>17,297</u>	<u>19,532</u>

The numbers stated do not include persons visiting New Zealand on business or persons with theatrical or sporting engagements. Some countries include such visitors in their tourist statistics, and if this were done in the case of New Zealand the above figures for 1937–38 would be increased by 2,831, making the total arrivals for the year 22,363.

The tourists arriving in this Dominion come from a number of countries, but, as might be expected, Australia is by far the largest contributor owing to its geographical location, trade relationship, and to the fact that the peoples of both countries have similar tastes and customs. Furthermore, travel-promotion work in Australia has been carried out over a long period of years, whereas the Department's activities in other countries have been somewhat curtailed owing to lack of representation and funds for publicity work, but during recent years this defect has been largely remedied, and it is anticipated that considerable benefits will accrue from these efforts in the near future.

During the past eight years the Department has established offices in Canada, the United States of America, and Belgium, under the control of permanent officers of the Department, and the contacts they have already made with overseas travel interests have proved invaluable in educating travel agencies regarding the scenic and sporting attractions of New Zealand, in arranging the orderly distribution of literature, in directing general publicity work, and in laying the foundation for future tourist-promotion work.

At the present time no attempt is made to compile tourist statistics in order to determine the economic benefits derived by New Zealand from tourism. Statistics of this nature would be very difficult to obtain and would only be approximate because tourists spend money in so many different ways. Any information of this nature would have to be obtained through questionnaires issued to the travellers themselves, and this might not be appreciated by visitors from overseas.

Owing to the volume of passenger-booking business done by the Department it has been possible to form a fairly reliable estimate of the average expenditure of tourists from different countries touring New Zealand. Taking these figures and adding an amount to cover private expenditure, it is considered that a reasonable conservative estimate of the total value of the overseas tourist traffic to New Zealand would be £1,200,000 for the year ended March, 1938.

TRAVEL TO AND WITHIN THE DOMINION.

A new record was set in passenger-booking sales by the Department's branches and agencies overseas and within New Zealand, the total turnover for the year amounting to £533,847, as against £480,788 for the previous year, an increase of 11 per cent.

During the past six years tour sales have increased by £292,432, a result which can be considered as very satisfactory and indicative of the growing popularity of the service rendered by this branch of the Department's activities.

Detailed arrangements in connection with tours sold overseas are made by the New Zealand offices, and many complimentary references have been made to the efficient work of the various branches. The departmental representatives in other countries report, without exception, that returning tourists have expressed appreciation of the advice and personal attention extended to them by the staff of the Tourist Bureaux in the Dominion.

As far as is practicable the Department has for many years endeavoured to extend courtesies and give personal service and unbiased advice to tourists visiting this Dominion, and, despite the pressure of work due to the large business now being handled, this policy remains unchanged.

Many countries have of recent years recognized the desirability of developing tourism as a State activity not only the tourist business from other lands, but also to encourage their own people to make use of the travel facilities provided.

It is interesting to record that, following the steps taken by Canada during 1934 to undertake tourist promotion as a national effort by the establishment of the Canadian Travel Bureau, the Federal Government of the United States of America has established recently a similar Bureau Service.

It is understood that the United States Tourist Bureau will encourage and assist all travel agencies engaged in promoting travel in the United States, territories and possessions, will supply information to foreign visitors, and will prepare and handle publicity programmes with the object of encouraging the use of American scenic, recreational, and travel facilities.

In my report covering the year ending the 31st March, 1937, attention was directed to the efforts made by the Department to secure the co-operation of travel agencies overseas, and during the year under review the Department's representatives in other countries made calls on many travel executives and were very active in keeping agencies fully informed regarding New Zealand, and in supplying all information required in costing tours.

Reports to hand indicate that the information supplied and the services rendered by the Department's Bureau staff have been appreciated by travel agencies, and greater attention is now being given by them to New Zealand travel, with the result that an appreciable increase has been registered in the total value of the bookings from this source.

Cruise travel from Australia to New Zealand again proved popular, and the eight cruises operated by the shipping companies were well patronized, the shore-excursion business for all cruises being handled by the Tourist Bureau staff of the Department.

In connection with this form of travel it is pleasing to record that arrangements were made for New Zealand to be included in the itineraries of three luxury liners sailing from American ports on world cruises next year. These cruises were widely advertised in the United States of America, and the New Zealand travel business should benefit considerably from such publicity.

The development of group tours overseas is now an important function of the Department, and during the period under review a number of inclusive priced tours were arranged, the most important of which were as follows :—

(1) *Reso Tour from Australia*.—This tour was organized and run in conjunction with the Victorian Railways Commissioners, and the party consisted of sixty-three members, who were representative of the commercial and farming interests in Victoria.

(2) *New South Wales Primary Producers' Party* consisted of thirty-two members from the dairying districts of New South Wales.

(3) *South Australian Farmers' Party*.—There were twenty-eight persons in this party, and a comprehensive tour of New Zealand was arranged.

(4) *British Bowlers' Party* of thirty-three persons spent approximately two months in the Dominion, visiting many towns from Auckland to the far south.

(5) *English Schoolboys' Party* of twenty boys and two masters, and a comprehensive tour was arranged for them, including the walk from Waiho Gorge to the Hermitage via the Copland Pass.

(6) *James Boring Party*.—This was a party from New York, and was arranged with the assistance of the Department's representative in Canada.

(7) *Far Harbours Tour* consisted of eight members, and was arranged by a large travel agency in New York.

In all group tours arranged by, or through, the Department it is usual for a member of the staff to accompany each party, a service which is much appreciated by members.

In overseas countries travelling in groups, or parties, is very popular, and as this form of travel attracts many people it is proposed in the future to develop this business as much as possible.

Considerable help was received during the year from various organizations throughout the Dominion in entertaining parties of tourists, and this assistance was much appreciated by the Department.

The rapid increase in the travel business in New Zealand during the past few years has made the work of planning tours much more difficult. The definite shortage of good hotel accommodation at some of the tourist resorts during the summer months has accentuated the difficulties. The shortage of good hotel accommodation in New Zealand is a very serious matter, and if the tourist traffic from overseas continues to increase the difficulty of accommodating travellers will become acute. During the year the Department provided additional accommodation at Lake Waikaremoana and Te Anau,

and it is hoped that many more of the hotel proprietors throughout the Dominion will be able to extend their premises in the near future. Some have already done so, others are planning additions and improvements, and the Department appreciates their help.

It is only fair to mention here, however, that the problem of providing travellers with accommodation during certain periods of the year is not confined to New Zealand alone, as owing to the widespread travel movement the hotels in several other countries are experiencing similar difficulties in catering for tourists desiring transient stop-over facilities and in providing accommodation for their regular guests.

STAFF.

It is with regret that I have to record the death of Mr. C. E. Christensen during the year. Mr. Christensen was for many years in charge of the departmental activities at Te Aroha, and during his term of office performed his duties in a most satisfactory and courteous manner and endeared himself to every one with whom he came in contact.

Mr. L. M. H. Cheriton, Stores and Works Manager at the Chateau Tongariro, was appointed Manager of Lake House, Waikaremoana, during the year, *vice* Mr. T. J. Sheffield, resigned.

Owing to the large volume of business handled in all branches the staff had a very busy year, and my thanks are due to them for their loyal co-operation and the efficient manner in which they performed their duties.

PUBLICITY.

The period covered by this report has been one in which great development has taken place in the publicity work of the Department, and at no time in its history have the efforts made to publicize the scenic attractions of this Dominion been so intensive. A generous appropriation for this work by the Government has enabled the field of operations to be extended, the benefit of which will be felt in future years.

Owing to the action now being taken by Governments, States, municipalities, and various organizations to encourage tourists, the travel industry has become a highly competitive one, particularly in North America and the United Kingdom, and it is pleasing to be able to record that it is now possible for the claims of New Zealand for a share of the world's tourist traffic to be put forward in a planned and effective way.

The following information indicates the publicity methods adopted to foster the tourist traffic from overseas, and to encourage travel within the Dominion amongst our own people :—

(a) *Advertising in Newspapers and Magazines.*—Advertising campaigns in newspapers and magazines were carried out in the United States, Canada, Australia, and the United Kingdom.

The campaign in the United States, which covered a period of four months, was confined practically to magazines of a national character, a number of which have a circulation throughout the English-speaking world. Such magazines as the *National Geographic*, *Harpers Bazaar*, *Vogue*, *Town and Country*, *The Atlantic*, *Fortune*, &c., were used in addition to educational magazines and publications circulated amongst travel agencies. These advertisements were regarded by every one engaged in the travel industry as being equal to the highest standard, and large numbers of inquiries were received regarding fares, &c., from individuals in practically every State in America, and, in addition, requests were received by the Department's Branch in Los Angeles for literature on New Zealand from Canada, Mexico, Alaska, Canal Zone, Ceylon, Cuba, Yugoslavia, Philippine Islands, Poland, Brazil, Ecuador, and Switzerland. The largest number of inquiries were received from the Pacific Coast States, then followed the Middle Western States and the New York State. It is worthy of note that one authority on advertising in the United States of America, in an independent analysis, gave this Department's advertisements a very high rating, and one full-page advertisement was ranked as one of the most outstanding advertisements of the year. The comment of the authority mentioned on this particular design was as follows :—

“*Message of the New Zealand Government.*—One of the most exciting advertisements in *Fortune* is this beautiful page ‘Beyond 30° South Latitude there's a wholly New Horizon.’ It does not take much vision to perceive that New Zealand will presently become what Switzerland and Austria were to the last generation. Every condition favours this development, for travellers cannot get much of a thrill out of places that have become almost as familiar as their home towns. They must seek new horizons. The illustration forms a charming introduction, while an unforgettable slogan is created at the close—*i.e.*, ‘A World in Itself.’ ”

The advertising plan adopted for Australia included national publications and metropolitan newspapers, and in the case of advertisements inserted in the classified columns of newspapers covered the full year, national publications being used for a period of six months. Frequent changes in the “copy” of classified advertisements enabled the attention of the travelling public to be directed to any special features in New Zealand travel, such as organized tours, &c., and excellent results were obtained from the advertising appeal made, as reference to the increase in the number of Australian tourists to New Zealand will show.

In the United Kingdom an advertising programme was arranged with the leading periodicals and newspapers, and although on a much smaller scale than the American and Australian campaigns the results obtained were definitely encouraging, many inquiries being received from readers throughout the country, and also from the Continent.

In order to encourage travel to the various tourist resorts in New Zealand, whether Government or privately owned, the Department arranged a very comprehensive advertising campaign through the newspapers, the results obtained being most satisfactory.

(b) *Production and Distribution of Films, Photographs, Display Material, &c.*—The production of all films, photographs, and miscellaneous advertising material is now performed at the Department's studios, and the year under review has been a particularly busy one owing to the increased demands made both from overseas and internally for films and display material depicting the various tourist resorts of New Zealand. From reports received high tributes have been paid by competent judges to the excellent quality of the productions.

In addition to the printing of many copies from existing film negatives during the year, six new films were produced and exhibited at the leading metropolitan theatres in New Zealand; these films will eventually be shown at practically every town throughout the Dominion and in most overseas countries. Special mention might be made of the documentary film of the wheat industry entitled "Our Daily Bread." This has been authoritatively stated to equal anything of its kind produced in other countries.

The services of the Department's cameramen and laboratories were sought by other branches of the Public Service, and a very complete sound-film was made showing the methods now adopted by the Public Works Department in railway, road, and other construction work.

A decision was made to extend film-publicity work, and orders were placed during the year for new and improved equipment which will enable the whole of the scenic attractions of New Zealand to be systematically filmed. The staff of the photographic branch have been fully occupied in satisfying the increasing demands for photographs and lantern slides, and a considerable amount of publicity has been obtained from the production of photographs in newspapers throughout the world. Lantern slides have been supplied to lecturers in many countries.

The small-size film—viz., 16 mm.—was in great demand by travel agencies during the year in Australia, United States, Canada, and the United Kingdom for tour-promotion work, and by individuals for lecture purposes. Next year the Department proposes to produce 16 mm. films in sound, which should increase their popularity greatly.

Particularly good work was performed during the year by the Art Branch of the studios in the production of all types of display material for internal and overseas distribution. Large dioramas of modern design depicting New Zealand scenes and incorporating working models, together with large quantities of small window-display units, were produced and proved most attractive and effective in advertising travel in New Zealand.

Attractive window displays are a valuable medium of publicity, and good use was made of them, both locally and overseas. In Western America an arrangement was entered into with a private contractor to produce and distribute effective window displays throughout that territory, and it is pleasing to record that ten large window displays forwarded to different cities for permanent retention were utilized and circulated by travel agents. In Canada, the United Kingdom, and in States on the eastern seaboard of America very effective window displays were arranged, and in Europe efforts are being made to induce travel interests to assist in this form of publicity.

New Zealand participated in exhibitions at Toronto and Nova Scotia and the Travel Exposition at Chicago, and during the year the Department arranged for the Dominion to be represented at Australia's 150th Anniversary Celebrations. The Department's float in the "March to Nationhood" procession in Sydney was awarded first prize, consisting of a handsome trophy as well as a cash prize of £120.

The production of the departmental film and photographic studios for the two years ending 30th June, 1938, was as follows:—

Films	..	..	..	..	..	14 new pictures produced.
						284 standard copies distributed.
						576 16 mm. copies distributed.
						Total footage processed, 786,000 ft.
Photographs and lantern slides	..	..	..	..	..	773 new negatives obtained.
						83,000 contact prints produced.
						5,526 enlargements produced.
						4,130 lantern slides produced.
Display material	..	..	..	..	..	460 window units produced.
						1,400 posters produced.
						300 showcards produced.

(c) *Production and Distribution of Booklets, Folders, Posters, &c.*—In order to satisfy the increasing demand for information concerning New Zealand created partially by other forms of publicity, large quantities of descriptive literature were printed and distributed overseas, and, in addition, a very attractive light-weight folder was produced in the United States for distribution to travel agencies. In this folder two of the Department's coloured advertisements which appeared in American magazines were reproduced, and the publication contained a brief description of New Zealand, its discovery, climate, &c., reasons for selecting this Dominion for a holiday, suggestions for tours, and descriptive matter concerning the travel service of the Department.

This publication was very favourably commented upon by travel interests, and the Manager of one American business concern stated that he was so impressed with the production that he made a request for a number of copies to illustrate to his clients the excellent results that could be obtained by using a particular class of paper.

Special literature describing and illustrating the scenic attractions of New Zealand was produced in large quantities, and the demands from overseas for this class of publicity material was heavy during the year—over 7,000,000 leaflets and folders were distributed last year.

Posters were also widely distributed.

(d) *Miscellaneous Forms of Publicity.*—Radio broadcasting has been used as a means of advertising New Zealand, particularly in Australia and northern America. Representatives of the Department, both overseas and within New Zealand, were particularly active in giving illustrated lectures on the Dominion to special audiences.

The Department was very fortunate during the year in being able to secure in many countries the services, without charge, of private individuals who were competent lecturers, and in the United States and Canada the Department was much indebted to the many influential people who delivered addresses on New Zealand.

In short, every opportunity has been taken to publicize the scenic and sporting attractions of New Zealand, and co-operation with the press throughout the English-speaking countries has resulted in free publicity being obtained through paragraphs, articles, and reproduction of photographs of New Zealand scenes.

DEPARTMENTAL ACTIVITIES WITHIN THE DOMINION.

All tourist resorts controlled by the Department were well patronized during the year, and, in fact, a record was set in the total amount of revenue collected.

Passenger-booking branches were kept very busy throughout the year, and the large number of people travelling contributed to the general prosperity of those engaged in the travel industry.

At Te Aroha all buildings were painted during the year, adding to the attractiveness of the well-kept playing areas and grounds. Tracks were repaired, and an additional bore was sunk to supplement the supply of hot water to the baths.

The baths at Rotorua proved very popular with visitors both from the recreational and curative points of view, and several thousands of people during the year made use of the bathing-facilities provided. During the period 24th December to 7th January the total number of bathers in the Ward and Blue Baths was 29,680, a daily average of 2,120. In addition, 5,000 spectators paid for admission. All departmental buildings were maintained in good order and condition. Owing to the destructive atmospheric conditions at Rotorua due to the thermal activity in the grounds, maintenance of buildings presents a difficult problem. A considerable amount of developmental work was carried out in the electrical section, and extensions of the system were made to the Rotoiti, Okere, Koutu, and Mourea village areas.

With the object of encouraging the use of electricity reduced charges were in operation during the year, and it is pleasing to note that the action taken had the desired effect.

Flood-lighting was installed in the Rotorua Gardens and the effect was very pleasing, this improvement being much appreciated by visitors.

A considerable amount of work was carried out in improving the following tourist roads in the Rotorua District—viz., Waiotapu Reserve roads, Okere—Hamurana, Lake Rotokawau road, Lake Okareko road, Mount Ngongotaha road, and the Lake Okaro access road.

Waitomo Caves proved a very popular holiday resort during the year, approximately 23,000 people visiting the Caves, and the total turnover from fees collected, together with accommodation charges, recorded an increase of over 100 per cent. on the takings four years ago. The hotel was painted and renovated inside and out, additional staff accommodation was erected, also a cottage for the Chief Guide. Improvements were carried out to the farm and gardens, and maintenance-work, which had been deferred owing to the depression years, brought up to date.

During the period under review a considerable amount of maintenance-work was carried out to tracks in the vicinity of the Chateau Tongariro, and the lodges, huts, and other outbuildings were painted and renovated. A very large number of people visited this hotel during the year, and the turnover reached a figure which is 125 per cent. in excess of that for the first year this resort was controlled by the Department. This satisfactory result reflects the improved economic conditions at the present time, the increase in the number of tourists from abroad, the growing popularity of travel, and the sport of ski-ing in New Zealand, also the efforts made by the Department to publicize the attractions of the Tongariro National Park.

At Lake Waikaremoana it was found that the accommodation available at Lake House was inadequate to cope with the business offering, and additional bedrooms were erected during the year. The number of people spending a camping holiday at Lake Waikaremoana increases each year, and the camping-ground in the vicinity of the hotel was well patronized, the huts provided being in great demand. Further improvements were made to the direct road from Rotorua, and when this important work has been completed the number of people visiting Lake Waikaremoana will increase materially.

At Morere the usual maintenance-work was carried out, and a paddling-pool for children was constructed. It is interesting to record that the Caretaker reports that native birds in the reserve are on the increase.

Queenstown proved a very popular holiday resort, enjoying a record season, and the hotels and boardinghouses were fully booked practically during the whole summer. The playing-areas in the Government Gardens were top-dressed prior to the commencement of the season, and were well patronized by visitors, who expressed appreciation of the excellent condition of the greens.

The increase in the number of visitors to the Milford Track was, in part, due to the excellent steamer service run by the Union Steam Ship Co., Ltd., between Melbourne and Bluff. The steamer "Maunganui" called at Milford Sound on five trips direct from Melbourne and disembarked over one hundred tourists, who commenced their tour of New Zealand via the "World's Wonder Walk," Milford Track. This ship also called six times on trips from Bluff, disembarking a number of passengers. During the year an additional launch was purchased for use at Milford Sound, and a considerable amount of repair work was done to the track.

The Department resumed control of the steamer "Tawera" on Lake Te Anau prior to the opening of the Milford Track, and a most successful season was experienced, a pleasing feature being the popularity of short excursion trips for visitors at the Te Anau Hotel.

Cascade Creek Camp maintained its popularity during the year, and it was necessary to erect several new huts to provide additional accommodation during the summer season. Further improvements will be made at this camp during next year.

FINANCIAL.

The revenue collected from the various activities controlled by the Department, and the expenditure from the Consolidated and Public Works Fund for the past six years, was as follows :—

Return of Receipts, 1932-38.

	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£	£
Receipts	59,138	65,077	75,634	84,564	100,678	115,973

Return of Expenditure, 1932-38.

	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£	£
Consolidated Fund ..	85,850*	91,571*	103,028*	124,151*	148,389*	175,120*
Public Works Fund ..	14,455	13,510	12,880	13,683	16,789	23,159

Ticket sales at the Government Tourist Bureaux for the past six years were as follows :—

	£		£
1932-33	263,573	1935-36	402,148
1933-34	308,255	1936-37	480,789
1934-35	343,933	1937-38	533,847

The estimated revenue to New Zealand from overseas tourists visiting the Dominion during the past six years has been as follows :—

	£		£
1932-33	375,000	1935-36	850,000
1933-34	450,000	1936-37	1,000,000
1934-35	800,000	1937-38	1,200,000

* Includes expenditure on overseas publicity.

APPENDICES.

APPENDIX A.

(EXTRACTS FROM REPORTS OF CONTROLLING OFFICERS.)

THE TRADE AND TOURIST COMMISSIONER IN CANADA AND THE EASTERN UNITED STATES.

The Trade and Tourist Commissioner reports that the year under review was a memorable one in that, for the first time on record, an extensive national advertising campaign was undertaken both in the United States and Canada. A limited appropriation for Canada was made available in 1936-37, but conditions in the United States, notably the prevalence of a long-drawn-out shipping-strike on the Pacific Coast, spoilt an opportunity of launching the initial publicity effort authorized by the Department, and postponement was necessary until this year.

In a review of the efforts made during the past few years to encourage travel to New Zealand from North America, the Commissioner points out that prior to 1930 there was no real official representation in that territory and that no organized or planned organization existed in the United States of America or Canada for the distribution of tourist or sporting literature: nor were there any expert officials available to give up-to-date and dependable information regarding New Zealand, although important contacts had been made by the Department with leading travel agencies in both countries.

These defects have now been remedied, and during the past six years constructive work has been undertaken and accomplished in regard to educating travel agencies as to New Zealand's charm of scenery and sporting attractions, the supply of publications has been regularized, and travel firms contacted, the management of which have been called upon by the Commissioner personally and given all essential details for the conduct of travel business with New Zealand. By the end of 1934 New Zealand had gained high esteem among the principal tourist offices, and its publicity methods and material were regarded as outstanding. When the economic conditions continued to show improvement, the organizing work was further extended: selected lecturers were encouraged to give addresses, covering practically all the States of America and the Canadian provinces; well-written articles began to appear in the press, and the number of newspaper references grew to surprising proportions. The shipping companies commenced a more extensive advertising campaign, and the combined expenditure must have aggregated over 350,000 dollars annually, much of the space taken specifically mentioning New Zealand. Film, lantern slides, and window-display material, prepared in New Zealand, were also in active use and did much in this period of better times to publicize New Zealand.

For the twelve-month period ending 31st March, 1936, further constructive progress was made. The effect of the establishment of the Los Angeles office was felt, the steamer bookings again showed improvement, and a successful campaign was launched to secure winter bookings of students and teachers for New Zealand by advertising in educational journals. Organized tour parties for New Zealand began to claim the interest of some of the leading travel offices, but, unfortunately, two disturbing factors arose—viz., the withdrawal of the Union Steam Ship Co.'s liners from the San Francisco—Wellington service, and later the strike of seamen on the Pacific Coast, preventing sailings altogether of the Matson steamers for over three months, at the height of the New Zealand season.

There was ample evidence at this time that the foundation work for tourist promotion had been effectively laid and that the travel agencies were paying tribute to the services rendered by the Department. File folders containing all requisite information for the staff of travel firms were prepared and issued and pioneered a long-felt want. These folders contained well-selected itineraries covering both Islands, giving data as to Pacific sailings and cost, and invited co-operation with the Department's offices at Los Angeles and Toronto. This folder was both novel and useful, and the "compliment" was paid by other tourist-competing countries quickly adopting and providing a like service. By this time participation in exhibitions had also been extended, and the New Zealand Government's large-scale displays made in such centres as Montreal and Toronto attracted thousands of visitors daily.

The publicity work at the end of 1937, and for the first four months of 1938 now in progress, has yet to be finally recorded. Authorization for a national advertising campaign was given, and as a result the coverage will be the most complete yet undertaken in Canada and the United States. The advertisements now appearing in leading magazines cater to the most wealthy and intelligent classes of the United States, and have been pronounced by travel firms as being of the highest standards—faithful in drawing, design, and appealing as to script and captions. The periodical use of 230 "air" stations in all the main centres of the United States of America forms part of the publicity plan, and the first broadcasts were given at the end of November, and by December will reach over twenty million listeners-in. Further careful distribution of folders and publications has been secured under a contract made with the "Ask Mr. Foster" service. Experience has shown, too, the most fruitful locations from which tourists may be drawn, and these cities are being given special attention—such as frequent personal calls on agents, well-selected window displays, more advertising, and wider lecturing activity. That these publicity services and contacts must be maintained is both necessary and essential in these competitive days. The past year has placed New Zealand in a more favourable position in the travel world, due to rumours of impending strife affecting the Mediterranean zone and the conduct of war in China.

Many scores of itineraries submitted by travel agencies have been examined and costed for both parties and individuals during the period October to December, 1937, and equally as many have been originally drawn up and submitted for adoption. Evidence comes from the Pacific shipping offices of record bookings in the past few months, and of promising prospects for all sailings up to the end of April, the close of the 1937-38 summer season in New Zealand.

Four cruises were widely advertised to visit our waters by famous luxury liners, but, due to the recession in the Stock Markets of the United States, the number has been reduced to three. The seriousness and sharpness of this unexpected check on business has yet to be realized, but, despite this happening, the cruises to be undertaken will be well supported.

Summarized, New Zealand's interests from a tourist point of view have been and are being widely exploited in a planned and effective way. In Canada and the United States the competition for tourists is continuous and intensive, and some of the establishments set up by foreign government command funds which New Zealand cannot hope to match, but, nevertheless, the work of the past seven years has laid a solid foundation upon which we can build hopes for a great expansion of traffic in the future. Above all, the contacts must be kept, the services maintained, and if possible, improved, and all branches of advertising utilized and expanded.

The year under review will mark a new record in point of numbers of those visiting New Zealand's shores from North America, and this result may be attributed very largely to the provision of publicity funds and through excellent chosen media. The inclusion of New Zealand for calls by well-known world cruise ships could never have been accomplished but for the propaganda undertaken in past years, even granting that the decision was arrived at by the existence of war in areas hitherto included, notably China. The Commissioner is of the opinion that the splendid reception and services rendered to cruise passengers in New Zealand by the Department will induce the authorities to repeat and expand the calls made in future years.

The Toronto office has been favoured for several years past in having the services of competent lecturers, who have given a great deal of their time without charge in addressing audiences in both Canada and the United States on New Zealand affairs, particularly devoted to describing the scenic charms and sporting attractions of New Zealand. All applications made for support in this connection by way of the loan of films or slides are carefully examined before acceptance, with the result that those selected can be depended upon to give accurate information and fittingly describe the highlights of New Zealand's scenic charms. Some very influential Canadians, including the Right Hon. R. B. Bennett, the Bishop of Quebec, the Assistant Director of the Federal Museum at Ottawa, members of the staff of the Bureau of Statistics at Ottawa, have contributed important addresses during the year under review. In the United States, too, the New Zealand Government is privileged to have the services of many prominent men who have recently visited New Zealand, and many articles have also been contributed to leading magazines. Invariably these articles are of a most complimentary and favourable nature.

The year was also marked by increased applications for lectures by the Commissioner, all of which were accepted. Apart from these varied engagements, a special address was given in the leading auditorium in Toronto before an audience of 1,500 people, the lecture being supplemented by the showing of excellent film and coloured slides.

The Commissioner has been actively concerned with publicizing the New Zealand Centennial Exhibition and, following calls made upon Ministers and executive officials, combined with interviews with leading manufacturers, which have created practical interest, it was announced that Canada will, through its Federal Government, be fittingly represented on this historic occasion. The business prospectus issued by the Exhibition authorities has been widely distributed, and the Toronto office is now in a position to submit plans and give all relative information. The work of organization was greatly aided following the visit to Canada of Mr. C. P. Hainsworth, General Manager, who was placed in touch with all interested parties in the cities he visited, including the Hon. the Minister of Trade and Commerce, the General Manager of the Canadian National Exhibition, and the Management of the World's Fair, New York, and received every co-operation and assistance in securing most valuable information and advice.

The decision of the New Zealand Government to participate in the World's Fair, New York, has involved a great deal of foundation work, the results of which should enable the Department to proceed with the provision and collection of exhibits in ample time for the opening date. Similarly, full particulars of New Zealand's participation in the Golden Gate Exposition, San Francisco, are being gone into in conjunction with the Department's Los Angeles office.

For the eighth successive year the New Zealand Government contributed exhibits to the Canadian National Exhibition held in Toronto annually. A number of New Zealand manufacturers also provided samples of their products, and altogether a comprehensive and varied display was staged. A popular section was the cinema showing New Zealand films; illustrated maps demonstrated many New Zealand points of interest, including its geographical position in relation to North America, distances, population, social legislation, shipping and air routes. Dioramas of the highlights of New Zealand scenery, together with mounted samples of trout, swordfish, &c., occupied another section, and a fine display was made of New Zealand travelling rugs and canned and bottled goods. This display by New Zealand was regarded as being the best shown in the last eight years, and was given the award of a gold medal. The whole enterprise was most economically staged and administered, and the publicity gained for New Zealand was outstanding.

New Zealand also participated in the Annual Provincial Exhibition at Halifax, Nova Scotia, where another display created a great deal of interest and favourable comment.

Apart from these major efforts, many small exhibitions have been made of both tourist and publicity and manufactured goods, and every possible effort has been made by this means to widen knowledge of New Zealand's scenic charms and products.

THE TRADE AND TOURIST COMMISSIONER IN WESTERN AMERICA.

The Trade and Tourist Commissioner for New Zealand in Western America reports that from the commencement of the year under review it was evident that the initial work which had been performed in the western States amongst the various travel interests in the preceding year was showing results and, despite various unfavourable factors, definite progress was being achieved. From April efforts were directed toward the development of the American summer travel to the South Seas, and a limited amount of advertising in educational journals was undertaken with this objective in view.

An increased number of independent bookings resulted from the co-operation of the travel agencies, and reports subsequently received indicated that the traffic during the period June to August exceeded that of the previous year.

The spring of 1937 produced a greater number of inquiries than in the previous year, and the preparation of itineraries for submission by travel agents to their clients increased.

Coincident with the planning of the national advertising campaign a more intensive development of our contacts with travel agents took place, and the Department utilized the pending advertising campaign to stimulate the interests of those who retail travel.

The appearance of the Department's first advertisement of the national series which took place in November excited comment amongst travel interests, and immediately there were requests for new literature supplies and window-display units.

The selling of tours by travel agencies was given every encouragement, and it is pleasing to be able to record that several of the agencies concerned stated their intention to develop more stop-over business in the Dominion.

There has been a tendency to sell round-trip travel to Australia with the inclusion of New Zealand merely as a port of call *en route*—allowing for only one or two days' break of journey in the Dominion. The greater knowledge acquired by the travel agencies concerning the attractions and the service in our country has had the effect of obtaining greater consideration for New Zealand inland travel.

The inclusion of New Zealand in the itineraries of luxury liners was a pleasing feature of the year. It was extremely unfortunate that the itineraries of two of these ships were cancelled, but the successful conclusion of the tours of the "Empress of Britain" and the "Reliance" should have an inestimable effect on the traffic in the future. Considerable work was undertaken in connection with the visit to New Zealand of the Hamburg-American cruise ship "Reliance." Shore excursions were planned and contact established between the steamship company and the Head Office of the Department.

The work accomplished by the Department's advertising agents received high praise by every one engaged in the travel industry, and the effect achieved by the strategic placing of coloured advertising exceeded expectations.

In an independent analysis of the Department's advertising conducted by the Milline Data, our "readers' appeal" was given very high rating, and, in addition, one of the full-page advertisements was considered to be amongst the most outstanding of the year.

Supplementing the advertising campaign, the Department was very fortunate in obtaining much valuable free publicity in the way of newspaper and magazine articles. Newspaper clippings, &c., have been forwarded regularly to Head Office and would give some indication of the extent to which New Zealand has received "news" notice and of the value of "New Zealand in the News."

Most noteworthy among the special articles appearing during the year have been the series written by Mr. Rob Wagner of *Script Magazine*. In view of *Script's* appeal to, and circulation amongst, the motion-picture industry, this publicity would undoubtedly create great interest in this high-salaried class and would be very valuable publicity for New Zealand.

In connection with the advertising campaign, approximately one thousand individual inquiries were received for literature, fares, &c. That the Department truly obtained a national coverage by the advertising is indicated by the fact that inquiries have been received from each of the forty-eight States and from Canada and Mexico. In addition, requests have been received from Alaska, Canal Zone, Ceylon, Cuba, Jugoslavia, Philippine Islands, Poland, Brazil, Ecuador, and Switzerland.

Naturally, in so far as this office is concerned, the largest response has come from the Pacific Coast States, and ranking next in the number of inquiries received are the middle western States, followed by the State of New York.

An interesting point is that in actual numbers of inquiries received at this office New York State ranks next to California.

Literature.—Regular supplies of literature have been received from Head Office, and this has been utilized for distribution to agents and local inquirers. In addition, a special light-weight folder was produced by the Department's advertising agents in connection with the current advertising campaign. This folder contained suggested itineraries, and because of its light-weight nature proved of great value not only to the office for individual distribution, but also to the travel agencies, who have demanded supplies in increasing numbers.

Despite the regular servicing of travel agents with literature, many requests for larger supplies have been received from individual agents, and this would appear to indicate a further interest aroused by the advertising effort.

Films and Slides.—The stock of 16 mm. film and coloured lantern slides have been greatly in demand throughout the year and have been utilized by travel agencies for tour-party promotion and also by individual lecturers and New Zealanders residing in or *en route* through the United States. However, it may be mentioned that good colour films are urgently in demand to compete with the excellent films produced by other advertising organizations.

Window Displays.—During the year an arrangement was made with the local contractor to produce and distribute effective window displays throughout the territory. Where larger space has been available, window displays comprising model Maori villages, complete with cardboard figures, have been supplied, and for smaller windows electrically-lit reproductions of scenes have been utilized.

Some ten large window displays have been forwarded to different sections of the country for permanent retention in that area, and these displays are being utilized and circulated by travel agents of their own volition.

To cater to department stores needs for displays in connection with travel-equipment exhibits, the coloured enlargements supplied by Head Office have been mounted and captioned, and these are being regularly circulated throughout California by a local contractor.

The model Maori whares, tekos, canoes, poi balls, and piupius held in stock by this office have been made available on some five occasions for travel exhibits in Los Angeles and vicinity.

THE TRADE AND TOURIST COMMISSIONER IN EUROPE.

The Trade and Tourist Commissioner reports that, as was mentioned last year, it can justly be claimed that there is a need for general "educational" publicity which would make New Zealand better known in Europe and, while this might not have any immediate or direct result in trade or tourist promotion, it is desirable as a background to our ultimate national progress as a developing unit in world affairs. In the meantime the office has, so far as circumstances permit, taken advantage of those avenues of general publicity which are available.

To an increasing extent, printed publicity material has been distributed through hotels and tourist agencies, several window displays have been made, a number of articles (usually well illustrated) have been placed in newspapers and periodicals throughout northern and western Europe, radio broadcasting of New Zealand records was arranged, and photos and other publicity material have been widely distributed. Lecturers have been supplied with information and material, and miscellaneous inquiries of a tourist character have been dealt with.

Contact has been maintained and extended with shipping companies and travel agencies, and plans are in hand which it is hoped will provide for an extensive distribution of films, both through theatres and through loans of smaller films to private persons and semi-official organizations.

The work of securing these outlets for publicity on the Dominion is materially increased and difficulties greatly magnified by the need for overcoming language barriers. A great deal of translation has to be done in the office or otherwise be arranged for.

Discussions have been opened with a well-known travel agency on the subject of a possible combined effort to secure publicity—particularly through window displays—in a number of selected areas in Western Europe.

Close co-operation has been maintained with the Tourist and Publicity Officers at the High Commissioner's Office in London.

THE TRADE AND TOURIST COMMISSIONER IN AUSTRALIA.

The Trade and Tourist Commissioner reports that the total value of tours booked from Australia, including steamer fares and travellers' cheques, was £118,373. This represents an advance of not less than £9,988 in the aggregate improvement, or 9 per cent. over the previous year.

Cruise Bookings.—The sale in Australia of shore excursions in connection with P. and O. and Orient Line steamers shows an increase of approximately £3,000, and sales on board the vessels at sea or in New Zealand register a similar amount of increase. This is attributable, in the main, to the fact that two additional cruises were operated by the shipping companies during this season.

Party Tours and Congresses.—Of the three party tours, one was organized by Sydney Office during the past year—viz., the New South Wales Primary Producers' Party, with a membership of thirty-two and a gross booking value of £1,600.

The Melbourne Bureau conducted two successful party tours—the Reso Tour and the South Australian Farmers' Party. The former was organized in conjunction with the Victorian Railways Commissioners and closed with sixty-two members, the gross booking value being £5,000. The South Australian Farmers' Party, organized with the co-operation of the South Australian Government Tourist Bureau and the Adelaide *Advertiser*, contained a membership of twenty-six, and the booking was valued at £2,000.

Energetic work supported by a special publicity campaign was undertaken in an endeavour to secure business incidental to the Catholic Congress held in Auckland during February. Although the actual direct bookings derived from the effort was small there is evidence that the work will be productive of future business.

Sub-agency Business.—A substantial increase is again recorded in the case of bookings introduced by the various sub-agents, and in this connection it is also pleasing to note that many of the minor agents who, in past years, have sent in very little business have done excellent work and produced good results during the past year.

Advertising and Publicity.—Early in November an experimental radio campaign was commenced and extended over a period of eight weeks. Broadcast advertising was confined to selected stations in the three major eastern States. It is felt that the efforts have been justified and the standard of publicity given was such as to stimulate inquiries and interest, but, in view of the comparatively small amount available and the short duration, the advertising through this medium must be regarded as purely empirical. It has, however, provided experience that will be invaluable in building up a balanced programme during the coming season.

The following forms of miscellaneous advertising were carried out during the year: Posters on ferries; covers for periodicals (shipping lines); Neon signs; Chamber of Commerce journals; production costs, &c.; Centenary Float, &c.; folder in three colour; radio advertising; sundry journals.

Every opportunity has been availed of to publicize the Dominion in every legitimate way. Co-operation with the press has resulted in the insertion of free publicity in the nature of write-ups, paragraphs, and photographic reproduction totalling over 8,000 lines of letterpress through the Department's advertising agents alone. Contacts of a representational or social value have been maintained, as well as those of a general nature, with the result that cordial and valuable relations exist with the Government, civic, and social organizations, as well as with shipping and commercial offices.

The stimulation of agency work and broadening of contacts in all territories with incidental publicity has been effected by official visits to centres and tours of various districts.

Lectures on New Zealand by officers have again been a feature of the work, and no opportunity has been lost to foster these activities. Both films and slides have been used for this purpose, and co-operation with independent lecturers has been fostered.

A considerable amount of advertisement of a gratuitous character has been secured through the medium of "tourist journalism."

Writers specializing in New Zealand subjects have been given every encouragement and practical assistance possible, and, in addition, from time to time relevant articles have been prepared in the office and placed to advantage, frequently in conjunction with advertising.

LONDON REPRESENTATIVE.

The Department's representative in London reports that the year just ended has been the busiest one since the Bureau was established, and it is pleasing to record such a substantial increase in the business handled. The outstanding event in a memorable year was the Coronation of His Majesty King George VI, and visitors from all parts of the world came to London for the celebrations. Thousands of New-Zealanders were among the visitors, and the office of the High Commissioner was kept working at full pressure. Although it is usually not part of the duties of the Bureau to assist New Zealand visitors, a considerable portion of the time of the Bureau was spent in advising and helping them, particularly as regards Continental travel, a service which was much appreciated.

Travel Agencies.—Contact was maintained with travel agencies during the year, and personal calls were made on executive officers, literature supplied, and all information regarding New Zealand tours furnished.

Most agents have utilized the facilities offered by the Department for window displays, and considerable effective free publicity has been obtained by this method. The chief agencies also have allotted space to New Zealand in their attractive brochures, and as these brochures are largely distributed by post to selected mailing-lists the publicity obtained is particularly good.

Shipping.—One of the major difficulties this year was the lack of available steamship accommodation during the peak months of the year. Two factors directly responsible for this were—(a) the influx of visitors for the Coronation with a consequent increase in steamship reservations by New-Zealanders and Australians. Quite a number of definite prospects among English tourists were lost because the accommodation desired was not available; (b) the very unsettled position in the Near and Far East caused many people to change their plans, and countries like South Africa, the West Indies, South America, and New Zealand gained. With increasing prosperity in Great Britain prospects for an increase in the number of tourists visiting New Zealand are encouraging. The decision of the Shaw Savill Line to inaugurate a fast passenger-steamer service between England—South Africa—Australia and New Zealand will benefit New Zealand's tourist traffic.

Organized Party Tours.—During the year Sports Travel, Ltd., Informal Travels, Ltd., Convoys Ltd., and Pickford's Travel Service were approached in connection with organized party tours. All of these agencies decided to launch tours, and all possible assistance was extended. Sports Travel, Ltd., concentrated on the formation of a party of British bowlers for a tour of New Zealand and Australia. Close co-operation was maintained with this firm, and it is pleasing to report that the tour was successfully launched and a total of thirty-three members secured for a stay of six weeks in New Zealand.

Pickford's Travel Service conceived the idea of forming a big party of British business men for an Empire tour, and representatives from the Canadian, Australian, and New Zealand Governments met with Pickfords in conference. Unfortunately when all was ready to launch the project the situation in the Near East developed, and Pickford's management decided to postpone the tour. The matter will be rediscussed during the coming year.

Co-operation with other Offices of Department Overseas.—With the development of the Department's offices overseas it has been possible to refer from London inquiries which previously were dealt with by London. This co-operation is a good development, as it enables the office in the country where the inquiry originates to foster the inquiry. The Department's advertising in English papers and journals brings inquiries from many parts of the world. These are dealt with direct where necessary and the contacts passed on to the nearest office of the Department. In this way business which would possibly be credited to London is diffused throughout other offices. This close liaison is a wise development, and it is proposed to continue the policy. Particularly this applies to the Trade and Tourist Commissioners in Europe, in Canada, in the United States of America, to the Australian offices, and to a lesser extent with the Department's Honorary Agent in Colombo. The very closest contact is maintained with the Trade and Tourist Commissioner in Brussels, and this has been of mutual advantage in tourist matters.

Printed Itineraries.—These have proved of the greatest value and are a particularly effective "selling-point." Many very complimentary references to them are received from agents and from tourists. The different types of itineraries issued by large travel firms in Great Britain have been viewed, but they do not equal the style and efficiency of the Department's method.

Remarks of Returning Tourists.—As in past years, returning tourists, almost without exception, express appreciation of the service extended by the Department and, as in the past, the keynote of the comments is the Department's attention to personal service. Many tourists call at the Bureau when they return to England, and it is found that in a number of instances that their memory of New Zealand is not so much the beauty of particular resorts, but of little courtesies and attentions extended to them by members of the Department's staff.

The Department's letter-of-authority system continues to meet with very favourable comment and is being availed of more and more each year. There does not appear to be any similar system in operation in Great Britain or on the Continent.

TOURIST AGENT, TE AROHA.

The acting Government Tourist Agent at Te Aroha reports that the various springs, drinking-fountains, bath buildings, &c., have been kept in good order during the year. All the bath buildings and offices were painted, an improvement which added to the attractiveness of the Domain.

The track to the summit of Mount Te Aroha was kept in good order, and a large number of visitors climbed the mountain.

Music in the Domain.—The Te Aroha Municipal Band has rendered a number of programmes in the Domain during the year. These programmes have been very much appreciated by both visitors and residents.

General.—General maintenance-work in connection with baths, gardens, buildings, drinking-fountains, pumps, &c., was carried out during the year.

No. 1 bore is still giving satisfactory results. Owing to a soft formation of minerals solidifying and clogging the pipe it has to be cleaned out down to about 30 ft. every week. If the pipe is not kept clear of this formation the water-supply, instead of flowing at intervals, flows continually, and the supply of water is not sufficient.

No. 2 bore was put down, but so far the result is not as satisfactory as was anticipated, but a gradual improvement is being shown.

Two shelters have been erected for the use of the croquet players, and a Louvre window was put in the lower pavilion.

There has been a fine display of flowers during the year, and the attractive flower-beds and neatly kept lawns have been much admired by the visitors.

DISTRICT MANAGER, ROTORUA.

The District Manager reports that the total revenue collected for the year was £64,388, as compared with £55,596 for the previous year, and all sections showed an increase in receipts.

The baths and playing-areas continue to show good returns, their popularity being reflected by further increases in revenue. The increase in baths fees was not so substantial as was anticipated, but the position was affected due to two Easter periods falling within the previous year, whereas the year under review did not receive the benefit of any Easter business, which, especially in the case of the Blue Bath, is quite substantial.

There is no doubt, however, of the value of the baths from both the recreational and curative points of view. In this latter connection it is particularly pleasing to report the greater use made of the massage and special treatment side of the institution. This is proved by the fairly substantial increase in fees of £424 over the previous year, which represents approximately 25 per cent. The staff and appointments available have been taxed to the utmost.

An analysis of the players' fees shows an increase of £94 in golf fees. This is also very pleasing in view of the fact that the links were under reconstruction during the year, and a portion of the area was closed for play. The total received from this source was £624, which is a record and proved the popularity of the game and the justification of expenditure in gradually improving the course. A further increase should be recorded next year.

The passenger-booking section has been exceptionally busy, particularly over the season, and a further increase of £360 is recorded in ticket sales. Rotorua retains its attraction and interest for tourists, and it has experienced a record season. With the increases in the Department's returns, business generally should show a corresponding increase. The office has been very freely used by the travelling public and overseas tourists alike, and a very useful and essential service is rendered by the bureau. A very considerable volume of work is transacted by the office on behalf of other bureaux, particularly in regard to the securing of hotel accommodation and reservations generally.

With an increase in the number of cruise liners visiting New Zealand last season and a larger number of organized conducted parties visiting Rotorua, considerable work was entailed in the preliminary organization of special Maori receptions, guiding, &c. The local arrangements worked very smoothly, and the Maori entertainments provided and the arrangements for sight-seeing were the subject of favourable comment and appreciation by the tourists.

In the main building considerable renovation was undertaken in both the men's and women's public Priest Baths. The walls and ceilings in these sections were in a dangerous condition on account of the condition of the plaster, and this was stripped from the walls and ceilings. Similar work was done in other sections of the main buildings and a good deal of time occupied in erection and dismantling of scaffolding for the purpose of painting these particular sections.

Certain alterations were effected to the Sanatorium, and in particular one veranda was closed in to provide additional accommodation for staff and patients.

Electrical.—During the year several important extensions have been made to the Department's lines, and there has been a large increase in the number of new consumers. The most important extensions were :—

- (1) The completion of reticulation in the Rotoiti area, approximately six miles of 6,600 volt, with the attendant low-tension lines.
- (2) Extension to Rotoiti Sawmill, $1\frac{1}{4}$ miles of 6,600 volt.
- (3) Extension to Payton's Road, Okere, 1 mile 6,600 volt and attendant low-tension lines.
- (4) Extension to Koutu, half-mile 6,600 volt and attendant low tension lines.
- (5) Mourca Village, quarter-mile low-tension lines

Work on the changeover has made good progress, and during the year 385 consumers have been changed over, bringing the total to 915. Some consumers in old premises have been slow in carrying out repairs to their installations, and this has held up the work in some areas.

Maintenance and extensions to the distribution lines has been carried out regularly, and in connection with the change-over a good deal of work has been necessary to keep pace with the requirements of 230-volt consumers.

The Okere plant has been maintained in running order and has been operated for one shift per day.

Street-lighting.—Regular maintenance has been carried out and new lights erected as required by the Borough Council.

Water-supply.—Sixty new connections were made to the system during the year, and in this connection the following quantities of pipe were laid in the various streets : 1,450 ft., $\frac{1}{2}$ in. ; 150 ft., $\frac{3}{4}$ in. ; 2,685 ft., 1 in. ; 430 ft., $1\frac{1}{2}$ in. ; 1,225 ft., 2 in. Owing to the inefficiency of the water-supply in certain streets the existing 1 in. supply-pipes were replaced with 4 in. cast-iron mains as follows : High Street, 950 ft. ; Pukuatua Street, 800 ft. ; Hinemoa Street, 800 ft.

Maintenance of the mains has been carried out from time to time, and this work, on account of the difficult conditions with which the Department has to contend, is quite a problem. Throughout the year some 2,200 ft. of G.W.I. pipe ranging from $\frac{1}{2}$ in. to $1\frac{3}{4}$ in. was renewed.

In connection with the reconstruction of Rangiuru Street, which is being undertaken by the Rotorua Borough Council, it was necessary to take out and relay 1,000 ft. of 4 in. cast-iron main.

For the purpose of reducing the quantity of water consumed by the Department in its various activities, both the Rachel and Priest mineral-water pumps have been converted from water to electric power. This should have the effect of improving the pressure to a certain degree.

In the height of the season a long spell of dry weather was experienced and certain areas on the outskirts of the town, particularly those on higher levels, were unable on occasions to obtain any water at all. With a view to improving the supply, in the Clayton Road area particularly, a small booster pump was installed, which seems to have had the desired effect.

Drainage.—Six new connections were made to the drainage system during the year. The effect of the sulphur in certain areas was particularly severe on the drainage system, but maintenance-work has been carried out in connection with the mains, manholes, branch drains, pumping-plant, and, generally speaking, the system has operated in a satisfactory manner. It was necessary to clear several bad blockages in the main sewers in various streets.

Sanatorium Grounds.—The usual high standard in regard to the floral display and the condition of the various playing-areas has been maintained throughout the year.

The appearance of the gardens has been further improved during the year by the dismantling of almost all the old wooden electric-light poles and overhead wires and the installation in their stead of a new ornamental system of lighting, designed along modern lines, and systematically arranged so that an improved standard of lighting is maintained. In all, fifty-two new and attractive fittings were erected on concrete standards, the supply being given by underground cable. There is no doubt that the new system has resulted in a considerable improvement not only by night, but also by day.

During the course of the year considerable improvement was made to the golf-course. It was necessary for this purpose to close a portion of the links down, but the results have justified the course taken. Even although playing conditions were difficult last year the fees earned showed an improvement over the previous year. Sunken bunkers were constructed around three greens, and with the opening of the recently filled fairways, which now show a good sole of grass, it is anticipated that the links will be even more popular this year.

A portion of the motor track surrounding the links was also closed owing to the danger to pedestrians and motorists. This action was fully appreciated by the players, who feel that their play is now not restricted in any way.

A regular supply of cut flowers was forwarded to Waikaremoana Hostel, and on occasions to the Chateau. A supply of bedding-out plants was also made to the Chateau and even as far afield as the Department's Publicity Studio in Wellington.

Reserves.—Some difficulty was experienced previously as a result of the steam from the Kuirau Reserve obscuring the view of motorists using the main highway. With a view to overcoming this difficulty the hot-water stream was diverted, and it is pleasing to report that considerable improvement has been noticed as a result of this course being taken.

Notices denoting the dangerous state of the ground and hot pools have been received and at the earliest opportunity will be erected within the various reserves concerned.

All paths in the various reserves have been dressed with pumice and water-channels given necessary attention. In all other respects the areas under the Department's control have received attention and can be regarded as being in reasonably good order. The keeping in check and eradication of noxious weeds is no light task, but it can be stated that there is a gradual permanent improvement.

A very fine collection of native trees and shrubs have been propagated throughout the year, and these will be planted out in the gardens and various reserves as circumstances allow.

A small quantity of acorns from Windsor Park were received from the Auckland Automobile Association some twelve months or so ago, and it is pleasing to report that the majority have germinated and are now ready for planting. These trees will be in commemoration of the Coronation ceremony of Their Majesties King George VI and Queen Elizabeth.

Round Trip.—The trip operated very satisfactorily and without any mishap, due attention having been given in the off-season to the maintenance of the various launches, wharves, tracks, &c. Some further improvement was effected in the comfort of launches by the construction of a permanent closed-in forward cockpit on launch "Manuwai" on Lake Rotomahana and by the erection of a permanent top on launch "Patiti" on Lake Tarawera.

A fairly extensive scrub fire occurred in the neighbourhood of the Waimangu Tea-rooms during the dry summer period, but with the assistance of men supplied by the State Forest Department the Department was able to save the tea-rooms and other departmental structures from destruction. A fire-break 1 chain wide was subsequently made behind the tea kiosk for safety purposes. A quantity of plants were also planted in the grounds at Waimangu, which considerably improved the general appearance.

BALNEOLOGIST, ROTORUA.

The Balneologist reports that the sanatorium has had a daily average of 40.44 patients throughout the year, and for some time past the Department has had a long list of patients awaiting admission. Extra accommodation has been provided by adapting open verandas into wards. There has also been a difficulty in arranging suitable staff quarters. Approximately 11,000 baths and 13,000 special treatments have been given to sanatorium patients, and the beneficial results from treatment have been very gratifying. The great number of helpless cases has made the nursing and portage particularly heavy.

The staff during the year carried out their duties in an efficient and conscientious manner.

During the year the Balneologist visited spa centres, clinics, and hospitals in England, Europe, and the United States of America. In connection with his tour the Balneologist reports that he had the privilege of meeting and working with some of the leading balneologists in Europe and inspecting many of the more modern establishments dealing with hydro-therapy and physiotherapy treatments.

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 £17,183, as against £15,686 last year, an increase of £1,497.

Visitors.—Approximately 23,000 people visited the caves and 9,500 stayed at the hotel. The weather was fine all through the main holidays, with the result that there was a steady stream of cars to the caves.

Improvements, Buildings, &c.—During the year the hotel was painted and renovated both inside and out, with the result that all the buildings are now in first-class order. An additional six cubicles were built on to the men's quarters, and the additional private bathroom to the main building is nearly completed. The Chief Guide's cottage, which was in a very bad state of repair and riddled with borer, was pulled down and a new cottage erected.

MANAGER, LAKE HOUSE, WAIKAREMOANA.

The Manager reports that there has been a large increase in the number of visitors to this resort during the past year, making the season a record one from a point of revenue. The shortage of accommodation during the summer months has been acute, and the additional bedrooms and lounge which are nearing completion should prove a great asset.

The additional staff quarters and staff dining-room erected early this season have been much appreciated by both staff and management. The camping-ground has been very well patronized, the huts being in great demand.

The installation of a petrol-bowser at the camping-ground has fulfilled a much-needed want, and has been the subject of much favourable comment by visitors.

THE CARETAKER, MOREERE HOT SPRINGS.

The Caretaker reports that the season just closed, apart from a break in the latter part due to the closing of the highway for some weeks by flood-damage, has been one of the best experienced. A certain amount of damage by flood was also caused to the main tracks, baths, and pipe-lines.

The construction during the year of the children's paddling-pool has proved very popular. Further improvements during the last season were made in the addition of a drying-room, alterations to cottage, the erection of a rest room for invalids, and new entrance gates to the reserve.

THE MANAGER, MILFORD TRACK AND HOTEL.

The Manager reports that the Milford Track has been well patronized during the past season. The total number of visitors registered is in excess of any year since the building of the Milford Hotel.

The Union Steam Ship Co.'s intercolonial steamer "Maunganui" called at Milford Sound on five trips direct from Melbourne, disembarking over one hundred tourists, who commenced their tour of New Zealand via the Milford Track. The "Maunganui" also called on six outward trips from Bluff, disembarking and embarking a number of passengers. The Government steamer "Matai" brought a number of passengers for the track on her January trip from Bluff, also the motor-vessel "Ranui" has been very popular, bringing quite a number of passengers each trip she has made from the South. Three of His Majesty's ships—the "Achilles," "Leander," and "Leith"—called at Milford Sound during the season, H.M.S. "Leith" remaining four days. The cruise ship "Empress of Britain" hove to off St. Anne's Point on 9th April, but did not enter Milford Sound.

The Grave Talbot Pass has been very popular during the season. Quite a number did the round trip, crossing the Milford Track and Dore Pass.

The weather has been fairly good most of the season, but several heavy floods have been experienced, making the track heavy going on several occasions. It was necessary to delay only one party for a day. January, 1938, shows the lightest rainfall record for the past ten years.

The new road under construction to the Homer has been formed about $5\frac{1}{2}$ miles. It will be possible next season to drive by motor up to the "Chasm," a distance of six miles from the hotel. This is a place well worth visiting. It is described in Moir's "Southern Lakes" guide as a place of great interest.

During the season several aeroplanes have made flights over Milford Sound district, including one Lockheed plane, which set a course about 3,000 ft. up, coming through the narrows, doing all the valleys, and finally proceeding through the Arthur Valley towards McKinnon Pass. It is understood that this plane was chartered by a party of American tourists.

The Department took over control of the Lake Te Anau steamer this season, which made the regulating of passenger traffic much more efficient.

The launch "Donald Sutherland" is running very satisfactorily. The comfort of this launch is much appreciated by all tourists. In March she was chartered for a trip to George Sound. The launch, "Gispa," purchased in Auckland for Milford Sound, is also giving good service.

Lake Ada has been very difficult to navigate this season owing to a very low water-level. The service has been maintained under great difficulties; new landings had to be made on both sides of the lake.

THE MANAGER, THE CHATEAU TONGARIRO.

The Manager reports that with the exception of the restoration and enlarging of the annexe to the Salt Hut, which was damaged by a gale, no new buildings have been constructed during the year. General maintenance-work has been attended to on all buildings and plant. The lodges, huts, cottages, &c., behind the Chateau have been painted and generally improved.

The golf-course was maintained in good order, and the excellent condition of the greens and fairways was commented on favourably by guests.

Ski-ing.—Despite the fact that there were no New Zealand championships or inter-state matches held at the Chateau Tongariro last winter, the season was a record one, an appreciable increase in revenue being recorded. The visit of the American ski-ing team was much appreciated, and the best exhibitions of ski-ing ever seen on Ruapehu were witnessed. The Americans were a very fine type and helped our local skiers to improve their ski-ing. It was pleasing to record that the team considered the slopes of Ruapehu ideal for ski-ing, and the Department is indebted to them for publicity obtained for New Zealand in the *American Ski Annual*.

THE CARETAKER, LITTLE BARRIER BIRD SANCTUARY.

The Caretaker reports that an excellent summer was experienced at Little Barrier Island, more bright sunshine being recorded than at any time since 1933.

Considerable improvements to the tracks on the island were made during the year, and every endeavour made to keep in check wild cats and rats, which are such a menace to bird-life on the Island.

Signs of increasing bird-life were evident, and kakas were particularly plentiful on the island at times.

Records of the weather and rainfall were carefully recorded throughout the year and supplied to the Meteorological Department.

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