aviation during the past few years must result in such an improvement in international air services that countries like New Zealand, whose tourist traffic has been so adversely affected by time taken in travelling by sea, will be brought within a few days' journey from the American and European continents.

The net expenditure for the year covering the running-costs of all activities of the

Department was £122,316, and the revenue earned amounted to £118,336.

Publicity

During the year the Department did not carry out any publicity work for the promotion of travel, but the staff of the Film and Advertising Studios was fully engaged on war-

publicity work and the production of photographs and film strips.

The major efforts of the Studios have been confined to the production of information films showing New Zealand's part in the war effort, both in the two theatres of war and on the home front. The "Weekly Review" is now in its 132nd week. In addition to the "Weekly Review," a number of films for special purposes have also been made.

Apart from distribution of the films throughout the theatres in the Dominion, copies

are sent regularly to London, Washington, and the Middle East.

A number of British Ministry of Information films have also been printed and

distributed through the Dominion.

In the 16 mm, branch the main production has again been on film for Army training, although large numbers of subjects have been produced for use in schools and through non-theatrical channels.

The National Film Library has grown rapidly during the year and now contains over eight hundred films. An arrangement has been made whereby the films that have been purchased for the use of Army Education and Welfare Service will be added to the Library after the war.

The photographic and art branches continue to provide a service to many Government Departments, the principal work being the production of many thousands of photographs

depicting New Zealand's war effort on all fronts.

The service whereby the parents and friends of troops in the Pacific can obtain copies of photographs taken there has grown to considerable proportions. Recently up to ten thousand prints a month have been ordered.

The film-strip branch is steadily developing and is being increasingly used for

educational and propaganda purposes.

The demands on the Studios for all classes of publicity material are growing so rapidly that it has become apparent that neither the accommodation nor the facilities are adequate to fulfil the demands efficiently. The whole matter is under consideration with a view to presenting comprehensive plans for expansion in order that the Studios will be in a position to meet post-war requirements.

The feature length film, "One Hundred Crowded Years," produced by the Studios to celebrate New Zealand's Centenary, was loaned to the Patriotic Fund Board for distribution through New Zealand for patriotic purposes. Advice has just been received

that over £1,200 has been added to the fund.

HOTELS AND TOURIST RESORTS CONTROLLED BY DEPARTMENT

Rotorua.—(a) Electrical System: During the previous year a commencement was made with the reconstruction of the electrical system of Rotorua and the preparatory work for changing the primary voltage to 11,000 volts. During the year under review the activities of the section have been directed to the completion of this work, but difficulties are still being experienced in obtaining materials and supplies, resulting in a proportion of the work being done with reconditioned materials.

To date the change-over of the main system from 6,600 volts to 11,000 volts results in one-third of the load being supplied at 11,000 volts, compared with only a fractional portion at this time last year. Several miles of line have been overhauled and are ready to be livened up at the higher voltage when the main line from Ngongotaha is completed.

Progress with the overhaul and reconstruction of the low-tension reticulation of Rotorua Borough has been slow but steady, attention having been given to those sections in the area

north of the railway-line where constant faults were occurring.

In the borough all water-heaters are now controlled by the Standard Telephone system, leaving those outside the borough proper to be controlled when equipment arrives from England. The effect of the control is noticeable on the system peak, and when taken into account with the proportion of the system changed over to 11,000 volts shows a considerable reduction in the system losses, the figure being in the neighbourhood of 14 per cent., against a figure of 28 per cent. prior to the work being undertaken.

Fortunately no heavy storms were experienced during the year, consequently no major

interruptions of supply were experienced.

The administration of the Electricity Control Orders issued during the past year by

the Electricity Controller has been in the hands of the Department.

(b) Water and Drainage Systems: Sixteen new connections were made to the supply. Our work has been seriously hampered through insufficient supplies of pipe, but it is to be hoped that this situation will ease in the coming year.

About 5 chains of new water-mains were laid to connect the Government housing scheme at Wallace Crescent. More work would have been done in this connection had supplies

of cast-iron pipe been available.

A number of blow-outs occurred in the mains during the year, but none of these were very serious.