

of each person at £50, a low estimate, the value of the tourist traffic to the colony is shown to be considerably over a quarter of a million sterling per annum. This, I think, will be regarded as a very satisfactory result for the Government outlay in encouraging the traffic. To the sum above mentioned must be added the earnings of the shipping companies, in which large interests are held in the colony. These earnings must be very considerable.

In addition to the direct receipts of this Department, which for the past year amounted to £15,344 8s. 11d., an increase of £6,943 7s. 3d. over the previous year, it is estimated that other revenue received from the tourist traffic by the Government through railways, post and telegraph, and Customs cannot be under £60,000 per annum. It is also estimated that the traffic now provides employment (Government and private) throughout the colony for at least 2,500 persons.

The total arrivals in the colony for the year ending the 31st December, 1903, were 30,883, as compared with 30,293 for the previous year. The departures were 19,608, as against 22,301 for 1902. The excess of arrivals over departures in 1903 was 11,275, the greatest for many years past.

The time is approaching when bureaux for the colony should be established in Sydney and Melbourne. I feel convinced that with energetic and well-informed officers at these centres much could be done to promote settlement and increase the number of visitors to the colony. The value of such increased traffic should, even in its initial stages, greatly exceed the cost of the upkeep of these inquiry agencies. Later, the question of further extending the influence of the Department by establishing bureaux in some of the greater cities on popular routes of travel, together with a more central and accessible office in London, should receive earnest consideration. The establishment of such agencies would bring New Zealand into touch with the bulk of the travelling English-speaking people, and also open up fields from which many desirable settlers might be drawn.

The great influx of settlers and visitors to Canada for some time past is an object-lesson of what can be done by the extensive advertising and efficient agencies in the great English-speaking centres.

The reduction of the postage on newspapers, which enables the weekly illustrated journals to be sent to the United Kingdom, India, and the colonies at 1d., is an innovation which should greatly assist in bringing the attractions and advantages of New Zealand under notice. I feel sure the colony will indirectly be compensated many times over for any temporary loss of postal revenue in consequence of this reduction. This small postal-rate should induce our colonists to despatch many thousands of the excellent illustrated Christmas numbers of weekly papers now issued in the colony, and which are undoubtedly very fine advertising media.

The Department still maintains an extensive and increasing correspondence with persons abroad on matters relating to New Zealand as a tourist resort, a land of sport, and a place for settlement. In all cases the fullest information was carefully compiled and furnished. The number of correspondents in New Zealand desiring information as to travel, &c., has also increased, the people of the colony recognising the Department as a useful agency for obtaining desired information. The Head Office received and despatched during the year 21,211 letters, an increase of 2,411 over the previous year. The work in other branches shows a corresponding increase.

Mr. T. E. Donno, the Superintendent of the Department, left New Zealand for St. Louis *via* San Francisco on the 8th April last to represent the colony at the Exposition, and arrived there just prior to the opening-date of the Great Fair. In his absence Mr. C. R. C. Robieson has control of the Department.

I desire to record the admirable manner in which the responsible officers of the staff have carried out their duties, and the loyal assistance given under all circumstances.

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