

As mentioned in my last report, the visits of the "Carinthia" and "Franconia" from America duly took place, and in this instance, due to a certain extent to the representations of the Department to the promoters, both vessels called at Milford Sound. I think that this may tend to disabuse the minds of certain people in the South that the Department tries to divert traffic from that favoured part of New Zealand. This "bogey" has been raised for the past ten years to my knowledge, and I regret that all my efforts to kill it seem to have been ineffectual. If any specific case can be shown where a tourist has been persuaded or induced by a Government Tourist officer to cut the South out of his tour, the officer concerned will have a heart-to-heart talk with his Head Office. I am satisfied, knowing all the conditions, that it cannot be done.

Last year the Department's booking business with the eleven leading South Island firms amounted to £22,397, and the North £15,523. I doubt whether any other Government Department can show such a preponderance of business in favour of the South as against the North Island; yet the Department is accused of unduly favouring the North. I expect before long to hear complaints from the North that they are being penalized to benefit the South Island tourist traffic.

The main item of interest in the Department's operations during the year has been the letting of the contract for the extensions to the Waitomo Caves Hostel, which will give accommodation for a further sixty visitors to the caves. For years there have been complaints from people who were unable to be accommodated there, or had their stay curtailed. With these additions, and certain improvements under consideration, there should be no reason why Waitomo should not be even more popular and remunerative than it is now. The revenue from this source will be a material help to the Department, and will tend to reduce losses in certain places which we have to maintain at a considerable loss. For instance, in Queenstown for the last six years our expenditure has been £4,762 and our revenue £1,492, a loss of £3,270. It would be ten thousand pities to see the gardens and reserve at Queenstown, which are maintained by the Department at an annual loss, abandoned; but the Department is expected to show a profit and loss account, and is liable to criticism when a loss is shown.

The Tourist Department was never intended to be a directly profit-earning institution, but was established with a view to development of the tourist resorts, and as a help to the Railways, Customs, hotels, and other businesses, and it is fair to maintain that it has fulfilled, and is fulfilling, these functions.

All the booking bureaux of the Department have been kept very busy during the year, and in some cases remarkable increases in business have been shown, notably in the Dunedin office, which had a very strenuous time, especially during the holiday season. The staff are to be congratulated on the manner in which their business has been handled and on the freedom from errors during rush times. Complaints have been very few, while many congratulatory letters have been received. One instance is from the Australian bowlers, whose tour was conducted by an officer of the Department. The president of the New Zealand Bowling Association (Mr. J. W. Hardley) has written to express his high appreciation of the Department's work, and of its officer who conducted the bowlers. Sir Joseph Davies also writes thanking all concerned, and concludes, "In a tour extending over two months the programme drawn up has run like oiled machinery, and we have never in any country travelled with so little trouble." Crabtrees Travel Agency of the United States also write: "We wish to thank you for your very splendid co-operation in helping us to develop business to your country."

During the year new bureaux were opened in Nelson and Wanganui, and the results have been very encouraging. The opening of offices in other centres will depend on the support accorded these. An office has also been opened in Calcutta, where Mr. T. C. Buddle, the manager of the New Zealand Insurance Company there, has kindly placed his services at the disposal of the Department. He will place our pictures and literature in many of the leading hotels and clubs in India and the East, and he is well qualified to afford the latest information to prospective tourists and sportsmen. Reciprocal arrangements are also being made with travel firms in Australia, America, and France, where we are in communication with the White Star agency of Paris.

The following is a list of our overseas agencies, most of them recently established:—

Sydney, N.S.W.	..	..	London Bank Chambers, 20 Martin Place.
Melbourne, Vic.	..	..	Dominion Chambers, 59 William Street.
Perth, W.A.	..	..	285 Queen's Buildings, Murray Place.
Brisbane	..	..	79 Queen Street (Mr. T. G. Dewar).
Adelaide, S.A.	..	..	Mr. V. H. Ryan, Box 664G.
Calcutta, India	..	..	Mr. T. C. Buddle, New Zealand Insurance Building, 26 Dalhousie Square West.
Vancouver, B.C.	..	..	Mr. W. A. James, Metropolitan Buildings.
San Francisco	..	..	Mr. H. Stephenson Smith, 311 California Street.
Durban, South Africa	..	..	27A Union Castle Buildings.
Johannesburg, South Africa	..	..	8 Natal Bank Chambers, Market Street, Market Square.
London	..	..	Office of High Commissioner for New Zealand, Strand, London W.C. 2.

The arrangement made with the leading public- and private-hotel keepers for booking accommodation has proved very satisfactory to all parties concerned.

I have recently seen a resolution by the Auckland Tourist League regarding the desirability of completing the road from Ruatahuna to Lake Waikaremoana, and this Department is in complete accord. The finishing of this road, which is only some fifteen miles, will make a wonderful round round trip from Rotorua to the Sea of the Rippling Waters, and thence to Gisborne or Napier, Taupo, and Wellington, through some of our most fascinating bush and lake scenery.