

A very heavy amount of preparatory work and actual tour selling in respect of these ships was done by our Australian offices and agents, and their work was followed up by the departmental officers who travelled to Sydney to act as cruise staffs on the voyage to New Zealand and as party conductors through the Dominion. These officers worked almost continuously on the voyages across the Tasman and, in addition to selling shore excursions, dealt with the mass of detailed work involved in the reservation of accommodation on trains, and motor-vehicles, and in hotels, the handling of the luggage, the arrangement of side-trips and receptions, and the provision of information in response to hundreds of varied inquiries. This special duty, coming as it did at the height of the season when staff pressure is in any event particularly heavy, was carried out with marked success and drew a valued expression of appreciation from the shipping companies concerned. Further similar cruises for 1935-36 are already scheduled.

These visits of cruise ships are indicative of the growing recognition of New Zealand's scenic attractions, and while the cruise visitors spend only a brief period in the Dominion the traffic is important in total monetary value and is, moreover, of special importance as likely to create repeat business and to provide valuable publicity.

The Cunard liner "Franconia" again visited New Zealand in the course of her annual world cruise, and special cruises to Milford and Marlborough Sounds and to northern waters were conducted by vessels of the Union Steamship Co. and Huddart Parker Co. It is understood that similar cruises will be repeated in the coming year.

The counter-attraction of the Melbourne Centenary Celebrations adversely affected business from the Commonwealth in 1934-35 and prevented the successful organization of any large party tours from Australia along lines followed by the Department in previous years. For the coming season steps are, however, again being taken to organize special party and conducted tours from Melbourne and Sydney. The reinstitution of a steamer service from Melbourne to Southern ports was responsible for valuable tourist business, and it is pleasing to note that the service will again be conducted in 1935-36 with a larger vessel.

Traffic from the United Kingdom in the past season showed distinct improvement, influenced, no doubt, by favourable exchange-rates and special shipping facilities and fares. Many of our visitors from Europe spend an appreciably longer time in New Zealand than is the case with the majority of tourists from Australia and America, and having regard to the average *per capita* expenditure in this country the traffic from that region is of greater value than might be indicated by a consideration only of the numbers of people concerned. The activities of the departmental officer attached to the High Commissioner's Office have clearly demonstrated in actual tour sales the value of the work that can be done by a well-qualified officer keeping contact with shipping companies and travel agencies and able to deal effectively with inquiries and travel prospects.

Business from the United States, while not representing as yet a large proportion of New Zealand's total tourist business, has also improved considerably in the past year, and with improving economic conditions in North America the prospects for the coming year appear to be distinctly good. This view is strongly endorsed by American transport and travel interests. Despite heavy expenditure in America by shipping interests the results to date have not been particularly favourable, but it appears certain that the publicity effort will justify itself in the near future, and already inward traffic is increasing over previous comparable periods. The appointment of a Trade and Tourist Commissioner in Western America will effectively support and strengthen the activities of shipping and railway companies and travel agencies.

In conjunction with other interests the Department has again assisted in the organization of local excursions and party tours to various resorts in both Islands, and these excursions have usually been well patronized. Winter or off-season party tours to mountain resorts have been particularly popular with the increasing large number of young people interested in ski-ing.

During the winter of 1934 steps were taken to organize at Wellington a conference of transport, hotel, and tourist interests, and invitations were extended to representatives from various parts of the Dominion. The conference was well attended, and lengthy discussions on the need for co-operation ensued. The Department had hoped that practical and detailed suggestions for improving traffic might have been made and that indications might have been given of financial support for some combined scheme of publicity work.

The conference passed a resolution endorsing the principle of co-operation and suggesting the establishment of a Board to take over, free of Ministerial control, the assets and activities of this Department. This suggestion was not adopted by Government, but a committee, advisory to the Minister of Tourist and Health Resorts, has been set up and is now in operation.

DEPARTMENTAL ACTIVITIES WITHIN THE DOMINION.

The work of the Department within New Zealand, apart from the sale of travel and the reservation of transport and hotel accommodation, is directly related to the provision and upkeep of tourist facilities at many points, such as Te Aroha, Rotorua, Morere Hot Springs, Waikaremoana (Lake House), Waitomo Caves, Chateau Tongariro, Queenstown, and the Te Anau-Milford Region, and in various reserves and domains in both Islands.

Other State-owned tourist assets are leased to and conducted by private enterprise, the leading instances of this character being The Hermitage (Mount Cook), Te Anau Hotel, Maruia Hot Springs, and Te Puia Hot Springs.

The maintenance and supply of stores, staff, and equipment to the resorts directly controlled and managed by the Department involve a considerable amount of detailed administrative work and the expenditure of an appreciable sum of money, which in varying degree in different instances is offset