H.—2.

The shortage of accommodation at all resorts has been mentioned before, and attention requires to be drawn again to this matter, which is becoming acute. Credit is given to several hotel-proprietors at various places who have already increased and improved their premises. The shortage of high standard accommodation is particularly noticeable at one of the chief ports of arrival.

INTERNAL TRAVEL.

A feature of the winter sports season was the institution of "snow trains" special week-end cheap excursions from Auckland and Wellington to the Chateau Tongariro. These were very well

patronized and proved very popular.

Many organized party tours were conducted, notably three from Australia the Reso Tour (in co-operation with the Victorian Railways), the South Australian Farmers' party (in conjunction with the South Australian Government), and the Victorian Scottish party (with Messrs. Burns, Philp, and the Victorian Scottish Union). From the United Kingdom came a party under the auspices of the Workers' Travel Association in conjunction with the Department. In addition, short visits were paid by the Hamburg-Amerika liner "Reliance" and the Canadian Pacific vessel "Empress of Britain." The Cunard liner "Franconia" also called.

A greater influx of tourists is expected for the Centennial celebrations. A special Centennial tour is being organized in Great Britain, and, of course, reference to the celebrations will be contained in all departmental overseas publicity. The Department will be responsible for a special pavilion at the Exhibition itself, and all preparations to handle the expected numbers of overseas visitors are in hand.

NEW WORKS AND MAINTENANCE.

Among major new works and maintenance services carried out during the year by the Department have been the erection of five new dressing-rooms in the Women's Aix Baths and structural alterations to the main Bath building at Rotorua; erection of a new building for the Art Department of the Film and Advertising Studios at Miramar, and the renovation of baths, appliances, &c., at Te Aroha and Morere. The hotels at Waitomo and Waikaremoana have each had new refrigerating-plant installed. A new steel bridge was built on the Milford Track, while assistance was given in the erection of a new hut for trampers in the Dart Valley, Otago.

STAFF.

Mr. J. W. Collins, O.B.E., retired on superannuation from his position as Trade and Tourist Commissioner for Canada and the Eastern United States, and was succeeded by Mr. R. M. Firth, of the Los Angeles Office. Mr. R. W. Marshall was appointed to Los Angeles.

EXPEDITION FROM THE AMERICAN MUSEUM OF NATURAL HISTORY.

During February and March, 1939, an important expedition, known as "the Michael Lerner Australia and New Zealand Expedition of the American Museum of Natural History," visited this country in search of data on the habits of our deep-sea big-game fish. The Department co-operated with the expedition in a most thorough manner, attaching two officers, one of whom took several thousand feet of cine film. In addition, the Department offered the Museum all of the working models and dioramas exhibited at the New York World's Fair and the San Francisco Golden Gate Exposition at the close of these exhibitions. This offer was gratefully accepted. Very valuable and considerable publicity will result from this action, as the Museum plans to stage a permanent special exhibit covering the cultural and physical development of the Dominion. A copy of the departmental film is also to be forwarded for screening at the special film shows given by the Museum. In return the Museum has offered, and the Department has gratefully accepted, copies of all films taken by the expedition.

PUBLICITY.

The field for the distribution of publicity literature has continued to expand steadily during the past year, and the coming Centennial exhibition and celebrations to be held from November, 1939, to May, 1940, have added considerably to the total output.

A special publication entitled "New Zealand Centennial, 1840-1940," with an issue of 30,000 copies, was widely distributed overseas, while a single-sheet folder running to 50,000 copies was prepared and dispatched to all parts of the world as an introduction to the occasion. An attractive poster printed by the "silk-art" process at the Government Film and Photographic Studios at Miramar also came in for wide distribution among all overseas agencies and to local travel firms and

the various Bureaux operated by the Department.

A special advertising campaign was carried out in the United States and Canada during the year and, as in the previous season, this resulted in a series of very fine designs in colour and black and white being published in a number of the leading journals and magazines. The effect of this was felt in increased business through all travel agencies, with a resultant improvement in the numbers of tourists visiting the Dominion. Apart from the advertising mentioned above, extra large quantities of publicity booklets and folders were distributed through the various agencies, while standard and 16 mm. films, lantern slides, and photographs were all used in the general advertising work of the Department.

In Australia a very comprehensive plan of advertising was adopted, covering all the leading newspapers and journals of the big cities and spreading into the smaller towns of the various States. An excellent response was recorded throughout the Commonwealth, leading to a record number of

visitors arriving in the Dominion.

The United Kingdom was covered by a carefully planned campaign, through the leading papers and periodicals, while lectures illustrated and supported by both standard and 16 mm. films played an important part in the success of the general scheme, many visitors being attracted to New Zealand as a result. The Department was responsible for the Dominion's court at the Glasgow Exhibition. This secured a good deal of favourable publicity.