In the Dominion a full programme involving newspaper advertising, direct mail, and poster display was productive of excellent results.

The production and distribution of literature and posters reached a new high-level, agents in all parts of the world being kept well supplied with these important media for advertising the Dominion.

Radio broadcasting was availed of more generally as a direct advertising medium both in New Zealand and in overseas countries during the year under review, and the general result of this work has proved most gratifying.

Illustrated articles on New Zealand were widely distributed overseas and were given considerable prominence in the publications using them, thus drawing a great deal of attention to the Dominion. As has been the case in former years, a considerable amount of valuable publicity was provided through the efforts of lecturers and travellers generally in various parts of the world.

DEPARTMENT'S FILM AND ADVERTISING STUDIOS.

The Studio Manager reports as follows:---

Films, Photos, Display Material, &c.—The production of all these types of publicity material continued at a steady pace at the Department's advertising studios. Increasing demands continue to be received from all parts of the world, consequent upon the ever increasing use of visual advertising methods for travel propaganda. A noticeable feature has been the great number of requests for loan of films of New Zealand from within the Dominion, particularly from schools. The Department makes every effort to fill these wants, realizing the value from a national point of view.

In addition to the travel films that have been produced during the year, a very comprehensive film of the activities of the Plunket Society was made; also one of an industrial nature was prepared in conjunction with the campaign to "Buy New-Zealand-made Goods."

During the year a start was made on the Centennial film to mark the progress of the Dominion though its first one hundred years, and production on this is now well under way.

This branch of the Department's service is being made increasing use of by other Departments of State

During the year the various items of equipment referred to in last year's report came to hand, and these have been the means of improving considerably the quality of the film and photographic output, and also enabling the production of 16 mm. sound films.

Authority was given for the erection of an additional building adjoining the studios for housing the art branch. Up-to-date equipment was installed to enable the production of high-grade exhibition and window-display units, posters, show-cards, &c. In order to meet the competition of similar material produced by other and older countries the work has to reach a very high standard, and with the equipment now available this is being done.

In addition to the usual small display units, many large exhibits for the Glasgow, San Francisco, and New York Exhibitions were prepared by the studios. They included working models of some of the principal scenic attractions of the Dominion, the most outstanding being replicas of thermal activity, Milford Sound, and the West Coast glaciers. Work in this branch has also commenced on the Department's Court for the Centennial Exhibition.

The Department has again carried out its own newspaper advertising with very successful results. The radio has been used twice weekly for fostering local travel.

FINANCIAL.

The revenue collected from the various activities controlled by the Department, and the expenditure from the Consolidated and Public Works Fund for the past six years, was as follows:—

Return of Receipts, 1933–39.							
		1933–34. £	1934–35. £	1935–36. £	1936–37. £	1937–38. £	1938–39. £
Receipts	• •	65,077	75,634	84,564	100,678	115,973	124,134
Return of Expenditure, 1933–39.							
		1933–34. £	1934–35. €	1935–36. £	1936–37. €	1937–38. ₤	1938–39. €
Consolidated Fund		$91.\tilde{5}71*$	103,028*	124,151*	148,389*		203,200*
Public Works Fund	• •	13,510	12,880	13,683	16,789	23,159	24,551
Ticket sales at the Government Tourist Bureaux for the past six years were as follows:-							
£						£	
1933-34		30	8,255	1936-37		480,78	39
1934-35		34	3,933	1937-38		533,84	7
1935 – 36	• •	40	2,148	1938-39		564,78	
The estimated revenue to New Zealand from overseas tourists visiting the Dominion during the past six years has been as follows:—							
past six years has t	och as i	onows.—	ę.			£	
1933-34		45	0,000	1936-37		1,000,00)O
1934-35			0,000	1937-38		1,200,00	
1935-36			0,000	1938–39		1,500,00	

^{*} Includes expenditure on overseas publicity.