

1940.
NEW ZEALAND.

DEPARTMENT OF TOURIST AND HEALTH RESORTS AND PUBLICITY

(ANNUAL REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency.

THE HON. THE MINISTER IN CHARGE OF THE DEPARTMENT OF TOURIST AND HEALTH RESORTS AND
PUBLICITY TO HIS EXCELLENCY THE GOVERNOR-GENERAL.

Wellington, 19th June, 1940.

I HAVE the honour to submit to Your Excellency the report of the Department of Tourist and Health
Resorts and Publicity for the year ended 31st March, 1940.

FRANK LANGSTONE,

Minister of Tourist and Health Resorts and Publicity.

His Excellency the Governor-General of New Zealand.

ANNUAL REPORT OF THE GENERAL MANAGER OF THE DEPARTMENT OF TOURIST
AND HEALTH RESORTS AND PUBLICITY.

SIR,—

Wellington, 10th June, 1940.

I have the honour to submit the following report on the organization and work of the
Department of Tourist and Health Resorts, with which is now incorporated the Publicity Department,
for the year ended 31st March, 1940.

I have, &c.,

L. J. SCHMITT, General Manager.

The Hon. Frank Langstone, Minister of Tourist and Health Resorts and Publicity.

ANNUAL REPORT.

The overseas tourist trade during the last six months of the year has been reduced to a minimum; indeed, the decrease started to be noticeable some little time before war broke out, particularly from the United Kingdom.

Immediately on the outbreak of war pleasure travel from the United Kingdom ceased entirely. The Department ceased its representation in the High Commissioner's Office. American and Australian travel also fell away practically to nothing. However, with the decision by the United States Government that their ships might visit belligerent countries in the Pacific and the fact that that ocean has been kept free from enemy raiders, a small but fairly steady trickle of visitors has resumed.

The imposing by the Australian Government of certain restrictions on currency, coupled with a fairly heavy increase in steamer fares, has caused visitors from the Commonwealth to be confined to business men, though a few New-Zealanders have returned to participate in Centennial celebrations and to visit the Exhibition.

But war, by a curious paradox, has greatly developed the possibilities of tourist traffic from a quarter whence, previously, comparatively few visitors have come. The impossibility of Europeans proceeding home on leave from the Netherlands East Indies, Malay Peninsula, and other parts of the East, together with the insistence by employers that leave outside the tropics must still be taken, led to a small spate of inquiries from those countries. Immediately an advertising campaign was instituted by the Department, a full supply of booklets, itineraries, and other publicity media was sent to our various agents, and every step was taken to ensure that full information regarding our attractions and travel facilities was made available, including a booklet specially prepared for Eastern distribution. Inquiries were received from as far afield as India and Japan, while others came from French Indo-China and Siam, and to these countries, too, full information has been sent.

Skeleton advertising campaigns are still being maintained in the United States and Australia to keep the name of the Dominion before the public so that our share of overseas travel may be secured without interruption when the final victory has been won.

The Department was represented at both the New York World's Fair and the San Francisco Golden Gate Exposition, and keen interest in our exhibits is reported by the officers in charge. All material for the exhibits was prepared by the Department's Studios.

Figures supplied by the Government Statistician show that for the past three years the country of origin and numbers of tourists visiting New Zealand have been:—

	1937-38.	1938-39.	1939-40.
Australia	14,502	16,692	3,951
United Kingdom	2,175	2,105	795
Other British countries	1,689	1,705	1,439
United States of America	724	783	380
Foreign	442	477	326
	19,532	21,762	6,891

INTERNAL TRAVEL.

Internally the year has made history as regards the volume of travel, particularly, of course, by rail. The Centennial Exhibition at Wellington has been a mecca, while local celebrations in other places have drawn back old identities to the scenes of their birth. The relaxing of petrol-restrictions during the Christmas season sent travel figures up with a rush, while reduced rail and service-car fares for Exhibition visitors also added to the numbers travelling.

A further factor was that New-Zealanders accustomed to make overseas trips remained in the Dominion, thus both adding to the volume of travel and helping to conserve sterling funds.

During the winter months, prior to the outbreak of war, "snow trains" were run successfully to the Chateau Tongariro, while excursions and conducted trips to the Glaciers, Southern Lakes, and other beauty spots were undertaken. These activities, as far as circumstances permit, will be continued.

The Department participated whole-heartedly in the "group travel movement" inaugurated by the Hon. the Minister of Internal Affairs.

No cruise ships arrived from Australia during the year.

DEPARTMENT'S PARTICIPATION IN CENTENNIAL EXHIBITION.

The Department, of course, was responsible for a pavilion in the Government Court at the Exhibition, the studios undertaking (as described below) a very considerable quantity of production work for other Departments.

From the report of the officer in charge of the Pavilion the public was much impressed both with the display made and also with the information it conveyed concerning the world-wide ramifications of the Department's work. The whole of the work was completed by the staff of the Department's Studios.

NEW WORKS AND MAINTENANCE.

With the exception of the commencement of the new Postmaster Bath building at Rotorua, no new works of major importance have been undertaken, but the usual maintenance of departmental property and amenities at the various resorts under its control has been carried out.

TE ANAU HOTEL.

On the expiration of the former licensee's lease the Department took over the management of its hotel at Te Anau. It was felt that departmental control would prove beneficial, particularly in view of the approaching opening of the tunnel route to the Sound. The administration of Cascade Creek was brought under the management of Te Anau.

STAFF.

While there have been no retirements of senior officers, twenty-six members of the departmental staff are serving with His Majesty's Forces.

The Assistant General Manager, Mr. S. J. Collett, unfortunately met with a severe accident in December, and is still absent from duty.

PUBLICITY.

During the past year, in addition to keeping up the ordinary supplies of publicity literature, special attention had to be devoted to publications suitable for advertising the Centennial Exhibition period.

Two main booklets were published, the first being largely pictorial in scope, the illustrations covering the period from Tasman's discovery to the present day. Many of these pictures were obtained from old collections and were published for the first time.

The second booklet consisted mainly of letterpress covering New Zealand's first hundred years, the story being written by Mr. James Cowan, the well-known author and historian.

A publication produced during the year which has won most favourable comment from all quarters was that entitled "Birds and Flowers of New Zealand." This book, printed in full colour, appears to have filled a long-felt want not only among visitors, but also among the people of the Dominion, and is enjoying wide popularity. Numerous requests have already been received from overseas libraries for the inclusion of this book among works of reference, and it should thus prove a most valuable advertisement for the Dominion.

Several small leaflets and folders were also produced during the year detailing the Department's services to the public.

In addition, several fine posters advertising New Zealand and the Exhibition were produced by the silk-screen process at the Department's Studios at Miramar.

Reprints of all of the main publications were carried out during the year.

The small booklet "Facts and Figures" ("New Zealand in a Nutshell") being a résumé of the Year-Book, again proved most popular and came in for world-wide distribution.

In the film work valuable co-operation has been maintained through the Fox Film Agency by the release of short, topical items secured by the Government film photographers throughout New Zealand. In addition, there has been considerable development of film activities in supplying special films for showing at overseas exhibitions throughout the world.

The 16 mm. film is coming more largely into use for educational and other purposes, and this medium is being widely developed and brought up to date by the introduction of "sound," which greatly increases its popularity and range.

DEPARTMENT'S FILM AND ADVERTISING STUDIOS.

The Acting-Manager of the Department's Film and Advertising Studios reports:—

During the period under revision the Department's Studios at Miramar were particularly busy and worked under high pressure for the greater part of the year. This was largely due to the demands placed upon their services by nearly every Department of State to assist in some way with their various exhibits for the Centennial Exhibition. In order to cope with this work it was necessary to augment the staff, which was more than justified by the results achieved.

The branch concerned with the production of motion pictures was particularly busy, the major interest being the production of the Centennial film, which is now nearing completion. This has entailed an enormous amount of work, covering as it does a very wide field of activities, and its production has necessitated a considerable amount of overtime being spent on it. The film branch was also successful in serving many Departments not only with various pictures illustrating their activities, but also with the provision of sound-track films to be incorporated in their various exhibits at the Exhibition.

The principal films supplied throughout the year were: "Clover" and "Barley" (Agriculture Department); "Twenty White Horses" (Dental Department); "Backblocks to High Seas" and "Royal Mail" (Postal Department); "Boundaries" (Lands and Survey Department); "Forest Fires" (propaganda film for Forestry Department); "Onward New Zealand" and "Carry On" (Industries and Commerce Department); "Moviologues No. 14" (comprehensive film of New Zealand).

The "still" photographic branch was very busy until the declaration of the war, and supplied many thousands of prints and enlargements to all parts of the world. (The "coloured" work proved extremely popular.) This Department also supplied a large number of super enlargements and murals which were extensively used at the Exhibition.

The Art Department transferred to its new building at the beginning of the year and produced a greatly increased output with greater efficiency. Many window displays, show-cards, &c., were displayed at the bureaux throughout New Zealand and Australia. The art work was in great demand throughout the year, and played a very active part in providing many of the exhibits used by the various State Departments at the Exhibition, the more important being the large scale model of Arapuni for the Public Works Department, timber-mills for the Forestry Department, the large wall exhibit for the National Broadcasting Service, and a considerable number of units for the Labour, Marine, Housing, and Health Departments, &c. In addition to this, the Art Branch was entirely responsible for the furnishing of the Tourist and Publicity and Industries and Commerce stands.

In connection with the advertising section, the Department has again undertaken its own newspaper and radio advertising, and the results achieved indicate that this policy has been entirely successful.

FINANCIAL.

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

Return of Receipts, 1934-40.

	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
	£	£	£	£	£	£
Receipts	75,634	84,564	100,678	115,973	124,134	113,474

Return of Expenditure, 1934-40.

	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
	£	£	£	£	£	£
Consolidated Fund ..	103,028*	124,151*	148,389*	175,120*	203,200*	184,908*
Public Works Fund ..	12,880	13,683	16,789	23,159	24,551	24,892

Tickets sales at the Government Tourist Bureaux for the past six years were as follows:—

	£		£
1934-35	343,933	1937-38	533,847
1935-36	402,148	1938-39	564,787
1936-37	480,789	1939-40	544,517

The estimated revenue to New Zealand from overseas tourists visiting the Dominion during the past six years has been as follows:—

	£		£
1934-35	800,000	1937-38	1,200,000
1935-36	850,000	1938-39	1,500,000
1936-37	1,000,000	1939-40	600,000

* Includes expenditure on overseas publicity.

APPENDICES.

APPENDIX A.

(EXTRACTS FROM REPORTS OF CONTROLLING OFFICERS.)

THE TRADE AND TOURIST COMMISSIONER IN CANADA AND THE EASTERN UNITED STATES.

The Trade and Tourist Commissioner reports that general international unrest had, even prior to the opening of the year, affected American travel abroad, and there was a noticeable decrease in the summer vacation excursions operating out of the United States from January to September. When war was declared in September, and various measures undertaken by the United States Government to protect United States neutrality, the travel business generally suffered one of the most severe shocks it has ever experienced. There was a general curtailment of travel advertising, and well-established travel agents who normally looked to overseas tours for their revenue quickly adjusted their organizations for the sale of domestic travel.

From the outbreak of war until the end of December there was naturally a lack of inquiry for travel in New Zealand. Strangely enough, a revival of interest was evident in January, 1940, and actual bookings were effected by both the Los Angeles and the Toronto offices. Shipping companies operating on the Pacific felt that the fact that the war had not come into the Pacific area should encourage them to appropriate money for advertising.

As a result of these adverse conditions there was a severe drop in actual bookings when compared with the 1938-39 season. Actually, itineraries planned were valued at \$20,761.00, but of these, a total amounting to 66 per cent. were cancelled as the direct result of the outbreak of war.

In Canada and in the United States close contact is being maintained with the Canadian Pacific Railway Company and the Matson Navigation Company, as well as the principal offices of the American Express Company and other travel agencies. It is interesting to note that another Far Harbours tour is in course of promotion, that Messrs. Thomas Cook and Sons are also promoting summer tours to the South Seas, and that the American Express Company, in conjunction with the New Zealand Government Tourist offices, is also interested in the development of a party movement during the coming summer months.

Advertising and Publicity.—As has been stated, plans for a national advertising campaign in 1939 were cancelled. However, by direct mail, and by lectures to small groups, by the distribution of films and lantern slides, and particularly through participation in the Golden Gate Exposition and the New York World's Fair, a great deal of interest concerning New Zealand was created in the minds of Americans. In addition to these displays, New Zealand was represented with attractive exhibits at the *Chicago Daily News* Travel Exposition, and at the Canadian National Exhibition.

"Chicago Daily News" Fourth Annual Travel Exposition.—A particularly attractive display was prepared by a Chicago artist, making use of an excellent selection of coloured enlarged photographs.

Many inquiries from prospective settlers and tourists were dealt with, and one tour party was put in touch with the Matson line for a definite booking. A number of inquiries followed up from Toronto.

Canadian National Exhibition.—Despite rather unfavourable weather, also the declaration of war and its consequent disturbances, the total attendance was 1,626,000. The best single day was 207,000, and the average daily attendance 116,000. It is interesting to note that the aggregate far exceeded the attendance at the Golden Gate Exposition, San Francisco, for the comparable period, while it was also within a few thousands of the attendance at the New York World's Fair for the same period.

On this occasion the whole of the display material was prepared in Toronto, and, in sections devoted to communications and transport, legislation, agriculture, industry, sporting, and scenery, was emphasized the progress made in many fields during one hundred years under British rule. A large section was also devoted solely to the attractions of the Centennial Exhibition and the important events of Centennial year. The whole exhibit was most colourful, artistic, and informative, and drew much praise from visitors.

The Board of Directors of the Canadian National Exhibition Association again honoured New Zealand with a gold medal for the excellence of the exhibit.

New York World's Fair, 1939.—During the period of the Fair New Zealand was greatly honoured by a visit to her Pavilion by their Majesties the King and Queen. On Dominion Day in September the Fair authorities honoured New Zealand's National Day at the World Fair.

It is estimated that almost four million visitors saw the New Zealand Display.

Amongst the general inquiries, information was sought regarding employment, settlement in New Zealand, housing, health services, social reforms generally, sport, and practically every phase of New Zealand life.

The Visitors' Book is tangible evidence of the opinions of the majority of those who passed through the Pavilion. Particularly is this result pleasing when it is considered that the original appropriation was far lower than those of other Governments participating, and more so when it is considered that the representation was carried out for a total figure less than the appropriation voted.

Close contact was established with New Zealand residents in New York, and as a result a New Zealand Society was formed in this city.

There is no doubt that interest in New Zealand generally, and particularly in the trade and tourist fields was considerably stimulated, and the expenditure and effort well warranted.

THE TOURIST COMMISSIONER IN WESTERN AMERICA.

The Tourist Commissioner reports :—

Publicity.—During the year, 1,702 requests for travel information were received and were supplied with literature and information. These requests were received from every State in the forty-eight States, and also from several foreign countries.

Films.—During the year films were loaned to various individuals, institutions, clubs, &c., and a total of sixty-five films were loaned for lecture purposes. In addition, lectures were personally given by members of the staff.

Tour Sales and Services to Travel Agents.—Owing to the war situation passenger-sales business which commenced the year very well showed immediately on the outbreak of war a dropping off both in inquiries and actual bookings. This, in the first place, was due to the state of unrest and a lack of definite information concerning the safety of travel on the Pacific and, secondly, the state of uncertainty which existed until the Neutrality Act was clarified by the United States Congress.

During the year the policy was followed out of assisting travel agents to plan itineraries covering New Zealand stopovers and, apart from general suggestions, eighty-two detailed booklet itineraries covering specific periods in New Zealand were furnished. These itineraries represented travel visits of 148 persons, although the summer season was almost completely cut off.

Golden Gate International Exposition.—This Exposition, which opened on 18th February, 1939, attracted its main bulk of visitors during the year under review, and the expenditure incurred in New Zealand representation was very well worthwhile.

New Zealand had its own separate building, which was of distinctive design, and all our exhibits were confined to items of tourist interest. It is difficult to assess the actual number of people who visited the Pavilion, but it is safe to assume that the New Zealand Pavilion was visited by at least 2,500,000.

The Exhibit itself, which, although small, was bright, attractive, and colourful, had a peaceful atmosphere, and was the subject of much pleasant comment by Americans.

Tourist Prospects.—As previously mentioned, the outbreak of war totally disrupted ocean travel, but the public reaction in this direction is now becoming more normal, and the number of inquiries being received from travel agencies is increasing, and, while the volume of business likely to eventuate within the next few months will not possibly reach previous years, it is certain that a considerable amount of travel will take place from the United States to New Zealand in the next few months.

THE TRADE AND TOURIST COMMISSIONER IN EUROPE.

The Commissioner reports :—

The outbreak of war in Europe has, of course, materially changed the conditions under which this office is operating. Some phases of the normal work of the office have virtually ceased, while others have grown and new activities have arisen from war conditions.

Publicity.—The distribution of various types of publicity material has continued briskly throughout the year, and even since the outbreak of war, in fact, the war has brought a demand for information about the Dominion, with the result that photographs and newspaper articles have been much more readily placed than in earlier years. Many Continental papers have in recent months used photographs of New Zealand subjects, and particularly those of an economic or war significance. Articles prepared in several languages and distributed by the Brussels Office have been sent out to a number of European countries, and the resultant publicity for the Dominion has been both extensive and important. Some of the articles were directly associated with the Dominion Centennial and secured special attention for that reason.

Other publicity media have been the maintenance of contact with travel and shipping agencies, and the handling of tourist and publicity inquiries which come in from all parts of Europe—and even from further afield—both by mail and by personal application.

THE TRADE AND TOURIST COMMISSIONER IN AUSTRALIA.

The Trade and Tourist Commissioner, Sydney, reports as follows :—

As was undoubtedly the experience everywhere, the war has had a profound effect on travel business. For the first five months of the past travel year the New Zealand Government Tourist Bureau and its agency links throughout the Commonwealth were showing improved returns in comparison with similar periods of any previous year. Also tentative reservations and inquiries in anticipation of the Centennial celebrations were exceptionally heavy. This was followed by a period of uncertainty and rapid cancellations, but by December, 1939, the travel flow had settled down to a greatly reduced volume, which meantime must be accepted as the normal expectation during the period of hostilities.

Publicity.—A publicity skeleton organization was maintained, and both the Bureau services and the Dominion's scenic attractions are being kept continually under the public's eyes. In this regard the special claims of the Dominion's Centennial celebrations were continuously

sustained, and, had conditions been normal, there can be no doubt that it would have been difficult to provide shipping-accommodation for all those who desired to include the celebrations in their itineraries. A case in point was the members of the R.S.S.I.L.A. and other ex-Service organizations throughout the Commonwealth whose original estimate was that up to five thousand members desired to visit New Zealand for various periods, including the Anzac Day celebrations.

In all other respects publicity expenditure has been cut to the minimum possible.

No opportunity has been lost in enlisting the co-operation of commercial and other organizations in obtaining free publicity display space. Also many sections of the Commonwealth press have proved very sympathetic in relation to free space, and many links with free-lance journalists have been helpful and productive.

With the decline in travel work, new responsibilities in relation to defence supplies, &c., developed, and the staff in both the Sydney and Melbourne Bureaux was reorganized along lines which enabled the total numerical staff strength to be reduced by one-third and leaving on the remaining male staff only married officers trained in travel duties but also competent to handle all phases of the Bureaux representation and commercial duties.

As in past years, numerous lectures and talks, illustrated by lantern slides and films, were delivered to interested clubs and other organizations, both by members of the staff and by private individuals, to whom our organization extended willing co-operation by supplying any material appropriate.

Agency connections throughout the Commonwealth have been maintained as in previous years.

The work of the Department's Honorary Agent in Queensland must again be referred to in the highest terms. The standard of service supplied in Brisbane is very high indeed, as is shown by results obtained.

Films. The use of films in both standard and 16 mm. sizes has continued to provide the Dominion with a most valuable avenue of free publicity. These have been distributed per medium of shipping companies and distributing houses in the Commonwealth in their country circulations.

However, the most valuable medium of film publicity during the year has been through the news-reel production organizations in the Commonwealth—namely, Fox Movietone News and Cinesound Review.

The introduction of 16 mm. sound films has begun to fill a long-needed want in respect to publicity screening given by Bureaux officers and those commercial organizations which co-operate by including New Zealand films in their private and trade screenings.

LONDON REPRESENTATIVE.

The London representative of the Department reported quite early in the year that, while inquiries were still being received, there was not a great deal of business eventuating owing to the uncertainty of European conditions.

Immediately war was declared all tours from Britain were cancelled. The senior representative is now in the British Army, while the junior, who was temporarily working at the New York World's Fair, returned to New Zealand and has enlisted.

The Publicity Officer attached to the High Commissioner's Office is carrying out what departmental work is required.

TOURIST AGENT, TE AROHA.

A slight decrease in the amount of revenue received over the year is disclosed, the figures, however, being still in excess of those for the year 1937-38. The final quarter's drop in receipts is responsible for this decrease and may be partly attributable to the poor local summer conditions as, although the number of visitors taking baths shows an increase over last year, the local attendance has dropped.

Private baths seem to be decreasing in popularity, whilst the separate pools for ladies and men are showing a correspondingly increased attendance.

Mineral Drinking Springs.—The placing on sale of bottled mineral waters, in the baths, has resulted in a considerable increase in sales.

Water-supply and Geyser.—The Public Works Department have completed the concrete catchment basin.

Supplies of both hot mineral and cold water have been ample for the requirements of this year.

Games Section.—Owing to the poor summer weather games have, as a whole, suffered, and night bowling has not been so popular owing to the cooler evening temperatures.

Gardens and Domain.—During the year all the usual maintenance-work was carried out, and the Bald Spur path and mountain track were put in order.

The entrance to the Domain has been considerably brightened at night by the installation of two powerful lights on the gateway erected last year.

Buildings.—The usual maintenance and a certain amount of painting, &c., have been carried out in the office buildings subsequent to the closing of the reading-room. The corridor has been repainted and framed scenic pictures hung on the walls. Internal alterations have been made and an additional room subsequently leased.

General.—The passenger-booking facilities have been consistently advertised on the local screens and are being more availed of by the community, again resulting in an increased turnover, this time of 66 per cent.

Music has been supplied on occasions by the Te Aroha Band, whilst a public-address system has been installed for the provision of radio and recorded music.

DISTRICT MANAGER, ROTORUA.

Bearing in mind that during the last few years very successful results have been experienced together with progressive increases in revenue, culminating in a record during the year ended 31st March, 1939, the figures for the year under review must be regarded as very satisfactory. It is only natural, too, that, dependent as Rotorua is to such a large extent on the tourist traffic, the petrol-restrictions would have an effect upon returns.

The largest loss is shown in the passenger-booking branch. Whilst a certain amount of local business is obtained, experience has proved that the bulk of the booking business is obtained from overseas visitors, and that when the Auckland Bureau, for instance, feels the effect of a slackening in overseas traffic it is also reflected in this office.

It is regretted that it was not possible to maintain the standard set over the last few years in regard to baths fees, but for the reasons above submitted it is otherwise felt that the baths would have held their own.

The Massage and Special Treatment Department, although recording a reduction in revenue, has nevertheless been very busy, and any loss in out-patients has been compensated by the patients from the Sanatorium, which has been patronized practically to the full extent of its capacity throughout the year.

During the year the work of effecting the urgent constructional repair and renovations to the main bath building was completed by the Public Works Department.

Fluctuations in the temperature of the Priest Spring caused some concern during the year. Fortunately the spring regained its temperature, and has since given entire satisfaction. However, as a standby and with a view to obviating any difficulty in the future should a similar occurrence be experienced, a very hot spring similar to the Priest, and of equal therapeutic value, was opened up at the rear of the main bathhouse. A pumping-station was erected over the spring, so that, if necessary, merely by the transfer of the pumping-plant, and connecting it to the existing reticulation in the building, the spring can be brought into operation without any undue delay.

Small decreases are recorded in the bowls and tennis fees, but it is very pleasing to report a further increase in the revenue from the nine-hole golf-course amounting to 20 per cent. more than the previous year. This is very gratifying, and is better than was ever anticipated from a comparatively small course.

The playing-conditions of the tennis and croquet courts have been maintained, but it is regretted that the bowling-greens have not upheld their usual reputation. There have, unfortunately, been contributing factors over which the Department has had no control and which have been largely responsible for the lower standard of the playing surface. It is anticipated that, given normal conditions, the greens will be rehabilitated in public favour next season.

In the electrical section reductions in tariff were brought into effect on 1st January, 1939. It is gratifying to state that, notwithstanding the reductions in charges, the receipts still show an increase over the previous year.

The Okere hydro-electric plant was closed down on 30th September, 1939.

The water and drainage services show an increase in revenue, due no doubt to the continued growth of the town. A general improvement to the system is anticipated as a result of the erection of a reservoir of 500,000 gallons capacity, which is at present under way.

Electric.—During the year extensions to lines have been made as follows, the most important being the reticulation of the Ngakuru and Horahora districts:—

- (1) Ngakuru and Horahora : 30 miles. 6,600 volt and 230/400 volt.
- (2) Hamurana : 6 miles. 6,600 volt and 230/400 volt.
- (3) Valley Road Extension : 1 mile 40 chains. 6,600 volt and 230/400 volt.

The Ngakuru and Horahora extension is the biggest handled to date.

In addition to the above, extensions and reconstruction have been carried out on existing lines to meet the demands of consumers:—

- One 150 kVA. transformer and attendant lines, Pererika Street.
- One 150 kVA. transformer and attendant lines, Ti Street.
- One 200 kVA. transformer supply to State mill.
- One 75 kVA. transformer and attendant lines, Haupapa Street.
- One 50 kVA. transformer and attendant lines, Ngongotaha.

Work on the changeover has been continued during the year.

The majority of the installations remaining on 110 volt are not wired in accordance with present-day requirements, and have to be brought up to standard before they can operate on the higher voltage. During the year 130 installations have been changed over.

Regular maintenance has been carried out on all distribution lines.

The following table sets out the units generated and purchased for the year, and the new load connected:—

	Purchased from Public Works Department.	Generated at Okere.	Total.
1939-40	6,681,937	112,061	6,793,998
1938-39	5,429,159	208,750	5,637,909
Total increase for year	1,156,089

Maximum load for year: 1,666 kVA., 5.30 p.m. on 14th June, 1939.

	No.	kW.
New consumers, light and heat	392	651
Extensions, light and heat	186	276.3
Ranges	103	633.4
Motors	160	257.9
Total new load for year, 1,818.6		

The above figures are perhaps the best indication of the amount of work handled in the year, and new records have been made for the number of consumers connected, new connected load, and total units.

Water-supply.—Owing to the insufficiency of fire-fighting equipment at the Rotorua Public Hospital this Department replaced on behalf of the Waikato Hospital Board ten fire-stand pipes with ten-ball hydrants, the cost of this work being met by the Board.

The usual maintenance-work on all town mains, fire-plugs and service pipes, two booster pumps, and the small reservoir at the source of supply has been carried out.

Drainage System.—Maintenance-work has been carried out on all mains, manholes, branch mains, and pumping plant.

General Plumbing.—Maintenance-work on all departmental buildings, gardens, and other sections of the Department has been carried out as required throughout the year.

Baths.—A good deal of work was carried out during the year by the plumbing branch for the baths. Hot and cold water was laid to basins in the Massage rooms at the Ward Baths.

Waikaremoana.—A visit was paid to this resort by the Overseer Plumber for the purpose of examination and cleaning.

Round Trip.—The trip has operated quite smoothly and maintained a regular and efficient service, co-operating with the motor-transport interests in providing the necessary facilities to enable tourists to inspect this very interesting region.

Due attention was given during the winter season to the care and maintenance of launches, tracks, footbridges, wharves, &c. For this purpose, in accordance with the usual practice, the round trip was closed down for two weeks to coincide with the visit of the Marine Department's surveyor of ships. The survey proved satisfactory, only minor repairs being required, and the necessary certificates were forthcoming in respect of all launches.

Buildings: Carpenter's Report.—A good deal of maintenance-work has been carried out on all departmental buildings and other structures. The main works undertaken, however, are briefly summarized as follows:—

A start has been made on the erection of the new Postmaster Bath buildings.

For Waikaremoana six new huts were made up in sections in the workshop at Rotorua, transported to the camping-ground at Lake House, and erected by the Department's staff.

Ward Baths: Although a comparatively new building, certain panelling in the Radium and Priest Baths became prematurely decayed, due to the action of the fumes from these waters. The panels in question were dismantled and refitted in Vitrolite glass. This not only improves the appearance of the baths, but is anticipated to stand up to conditions for many years to come.

Buildings: Painter's Report.—Sanatorium: This building was completely renovated during the year.

Reserves: The entrance gates at Waka were renovated.

Waikaremoana: The entire roofs of the hostel and other buildings were cleaned down and repainted.

The Chateau: The painters also visited this resort and painted six huts.

Gardens.—The very high standard set in previous years has been well maintained this year, and although a very dry season was again experienced the floral display has been particularly brilliant and the subject of very favourable comment by all who have visited the Sanatorium grounds.

In addition to the main display, plantings have been maintained for cut-flower purposes, and supplies have been forwarded regularly to Lake House, Waikaremoana, and the Chateau. Plants have also been supplied to the Chateau, Morere Hot Springs, and the Studios at Miramar, Wellington.

All paths, drives, hedges, verges, &c., have received the usual seasonal attention, and have been maintained in good order.

Reserves.—At Whakarewarewa the track to the trig. station has been overhauled and is now in good order. All paths have been dressed with pumice, and provide a dry surface.

The boundary fences in other reserves have been overhauled and made stock-proof, and the various areas cleared of noxious weeds from time to time.

BALNEOLOGIST, ROTORUA.

The Government Balneologist reports as follows:—

The financial returns for the past year show a decline on those of 1939, particularly regarding the baths taken by casual visitors. However, the counter-attraction of the Exhibition, the difficult conditions during the war period, and the rationing of petrol have all contributed to this fall in receipts from baths. Also, the usual visitors from England and abroad have, owing to travelling restrictions, been reduced in numbers.

The Sanatorium. The average daily bed-state for the year has been 47.4, a considerable increase on the numbers for last year, and it has been mainly due to increasing the number of beds on verandas that it has been possible to deal with so many in-patients. The work in the institution, mainly due to the lowered costs from the Social Security benefits, has been exceedingly difficult, and the number of patients on the waiting-list is increasing to the degree that it is months before an applicant can be admitted. At the present time there are sixty-seven patients awaiting admission.

During the year approximately 11,500 baths and 13,000 special treatments were given to patients in the Sanatorium, and for the most part considerable benefit was received.

The Main Bath House has been exceptionally busy, but despite the restrictions of space the work has been carried on with efficiency by the staff and with benefit to patients.

Massage and Physiotherapy.—This department of the establishment has been working hard throughout the year, and has carried out its work most efficiently. New installations of ultra violet ray and infra red ray have been put into service and helped to bring the treatments up to the necessary standards of modern work.

Buildings.—Apart from the usual maintenance and the structural alterations to the existing buildings, no new works have been carried out.

MANAGER WAIWOMO CAVES AND HOTEL.

The Manager reports as follows:—

Revenue.—As was to be expected, there was a considerable falling off in traffic during the last six months of the year owing to the war and petrol-restrictions, although the falling-off in local traffic has not been so marked despite the attraction of the Wellington Exhibition. Approximately 15,370 people visited the caves and 6,200 stayed at the hotel. Christmas and January were almost as busy as previous years, and the hotel was also fully booked during Easter.

Improvements, Buildings, &c.—No major works have been done as far as the main buildings are concerned, and all repairs and maintenance have been carried out by the hotel staff.

Reserves and Farm.—A good deal of work has been put into the grounds and farm. Some time has been spent in opening up the section of native bush on the hill opposite the hotel. When this work is completed a number of good bush walks will be provided and the outlook from the hotel will be much improved.

There have been practically no losses as far as stock is concerned, and the hotel has been supplied with milk and cream throughout the year. As in previous years, a number of pigs have been kept, and £109 has been received from the sale of baconers.

MANAGER, LAKE HOUSE, WAIKAREMOANA.

The Manager reports that during the year this resort was well patronized, in spite of adverse conditions due to war, &c.

Revenue compared very favourably with that of previous years.

The camping-ground becomes more popular each year, as is evidenced by the fact that the six additional huts erected before Christmas, as well as the old huts, were booked to capacity throughout the holiday period.

Launch trips on the Lake, and also to Waikare-iti, have been most popular throughout the summer. The bush walks to the summits of Ngamoko and Panekiri have also proved an attraction to numbers of visitors. Owing to the dryness of the season the Lake has been at a much lower level than usual. Fishing has been good, several limit bags having been secured.

The house roof has been painted, and new electric stoves have been installed. Tracks and grounds have been maintained in good order.

THE MANAGER, TE ANAU HOTEL.

The Manager reports that decreases in revenue occurred at all the resorts within his jurisdiction, chiefly caused by petrol-restrictions and curtailment of travel from overseas. The cancellation of the Melbourne-Bluff service has had particularly drastic effects on resorts in this area.

In order to offset as far as possible decreasing revenue, economies have been effected in many directions.

Milford Track.—No new work on the Te Anau-McKinnon Pass section of the track was undertaken during the year, but three miles of track was re-formed and will require little attention for some seasons. The remainder of the track has been kept in good repair in spite of a most difficult season. Last winter was the most severe experienced in this area for several decades, and on opening the track in November it was found to be in a bad state with trees down practically throughout. Repair work was carried out promptly, and no interference to traffic resulted. As reported at the end of last season, the Clinton River suspension bridge had been demolished by floods, and this was repaired at the commencement of the season. Weather conditions during the season were bad throughout, no less than seven serious floods occurring as compared with two the previous season.

Cascade Creek Camp.—The improvements commenced last season were completed during the winter and have been much appreciated by visitors. The camp retains its popularity amongst a large number of regular visitors who desire an inexpensive holiday.

Te Anau.—Although the number of guests during the season has not come up to expectations, the change to Government control appears to have been welcomed in many quarters. No effort has been spared in making guests comfortable, and as a general rule guests make a point of expressing their satisfaction at the service they have received.

MANAGER, MILFORD HOTEL.

The Manager reports that the Milford Track has been fairly well patronized during the past season, considering the adverse conditions caused through the war, also taking into consideration the Centennial attractions in Wellington and other centres.

During the Christmas and New Year holidays the accommodation both at the huts and Hotel Milford was fully occupied.

The weather has been most unfavourable during the whole season; very heavy rain has been experienced, and delays on the track were caused through floods.

The Milford Track has suffered severely on account of the continual heavy rain, several bad washouts and slips were experienced, the surface of the track being washed away in a number of places.

Milford Sound—Te Anau Road.—This road is now available for over nine miles.

Air Travel.—Captain Mercer, Air Travel (N.Z.), Ltd., arrived at Milford Sound on the 16th July, 1939, from Franz Josef Glacier and made a successful landing on the beach at Deep Water Basin. Whilst he was here he examined the beach in prospect of a regular landing, and considered this could be done at very little outlay.

Shipping.—On account of the war the only ships to call here were the G.s.s. "Matai" (two trips from Bluff), m.v. "Ranui" from Bluff, and m.v. "Gael" from Bruce Bay.

THE MANAGER, THE CHATEAU TONGARIRO.

The Manager reports that for the first time in several years there was a falling off in revenue, although this amounted to less than 6 per cent. Expenses have been reduced in proportion to the reduction in revenue.

Buildings and Plant.—General maintenance-work on all buildings and plant has been carried out. Additions to the Salt Hut and ski room on Ruapehu are almost completed.

Roads, Tracks, Mountain Huts, &c.—The road up Ruapehu is nearing completion, and now goes past the Salt Hut.

The road below the Chateau is in course of reconstruction and will eventually be bituminized. The various walks, mountain tracks, &c., surrounding the Chateau have received attention, but it has been an abnormally wet summer.

The improvements to the Salt Hut and ski room on Ruapehu will provide very welcome extra accommodation for the public during the coming ski-ing season. The Mangatepopo and Waihohunu huts have been inspected and are in reasonably good repair, and compare very favourably with huts used for similar purposes in any part of the Dominion.

Cartage and Transport.—The above service has been well maintained during the year. The policy of the staff doing the carting of supplies, &c., has again proved a wise one, and has resulted in considerable saving of expense.

Golf-course.—The golf-course maintains its popularity, and the healthy state of the grass is very favourably commented on. The course is a great attraction, and undoubtedly is the means of keeping people here during the summer months.

Ski-ing.—Last ski-ing season again proved a good one, and the New Zealand championships, which are held on Ruapehu every second year, were run very successfully, to the satisfaction of the New Zealand Ski Council. It was a wonderful snow year, there being as much as 16 ft. of snow on Upper Scoria Flat, whereas there is usually round about 6 ft. The record patronage of last year was again maintained this year for the winter months, the three months—July to September—of each year bringing in £15,000-odd in revenue. On many occasions all available accommodation was taken and numbers had to be turned away. The usual climbs of all three mountains have been undertaken during the year, and a satisfactory guiding service has been maintained.

Postal Branch.—This branch has been kept busy handling all lines of Post Office work. This branch was recently inspected by a Post and Telegraph Inspector, and a very satisfactory report was given by this officer. The installation of a new line to Ohakune has relieved congestion considerably in telephone and telegraph work.

Staff.—The staffing of the Chateau still remains a major problem, for obvious reasons. Every endeavour is made to keep staff happy and contented, and all sporting facilities such as golf, tennis, ski-ing, &c., are allowed free of charge, provided the guest who pays has first preference in these various forms of sport.

CARETAKER, MORERE HOT SPRINGS.

The Caretaker states that the year generally has been fair, although slightly down in revenue. To offset this the expenditure was not as great as the previous year, when there was considerable flood damage to meet.

The buildings, pipe-lines, and bridges are all in a well-preserved condition.

THE CARETAKER, LITTLE BARRIER BIRD SANCTUARY.

The Caretaker reports that little of extraneous interest has occurred. Due possibly to reduced shipping services, few seabirds killed by refuse oil have been washed up. Kakas, kiwis, and native pigeons appear to be on the increase.

APPENDIX B.

LIST OF HIGH ASCENTS FROM THE HERMITAGE, SEASON 1939-40.

Date.	Party and guide.	Name of Peak.	Height.	Route and Remarks.
..	Messrs. J. Pattle and B. Unwin	Mount Cook	.. Ft. 12,349	..
..	Messrs. Rolleston, Latham, and Jackson	La Perouse	.. 10,101	..
..	Messrs. Rolleston, Latham, and Jackson	Sturdee	.. 8,700	..
..	Messrs. Rolleston, Latham, and Jackson	Jellico	.. 9,300	..
..	Miss E. Newton and Mr. W. Newton; Guide, G. E. Cook	Minarets	.. 10,058	..
..	Miss E. Newton; Guide, G. E. Cook	Footstool	.. 9,073	..
..	Miss E. Newton; Guide, G. E. Cook	Cadogan	.. 7,850	..
..	Mrs. F. Chapman, Miss E. Newton, Messrs. Unwin and Pattle; Guide, G. E. Cook	Scaly 8,651	..
..	Miss Mills, Mrs. Cole, Messrs. B. Unwin, J. Pattle, and Cole	Hamilton	.. 9,915	..
..	Mr. H. Mandeno; Guide, W. Lawrence	Hochstetter Dome	9,258	..
..	Mr. W. Newton; Guide, G. E. Cook	Turnbull	.. 7,400	..
..	Mr. and Mrs. Williams; Guide, G. E. Cook	Anzaes	.. 8,623	..

Members of the Alpine School at Mount Cook climbed Hochstetter (9,258 ft.) Dome and Minarets (10,058 ft.) with L. Mahan and F. Chapman.

LIST OF HIGH ASCENTS AT FRANZ JOSEF GLACIER, SEASON 1939-40.

Date.	Party and Guide.	Name of Peak.	Height.	Route and Remarks.
1939.			Ft.	
Dec. 17	B. Thompson, E. M. Manson, and G. McDonald	Mount Drummond	8,200	Ascent and descent by way of Almer Glacier to north shoulder on ski, and thence by north rock face to the summit.
Dec. 18	Miss M. Scott; Guides, Joe Fluerty and G. Somervill	Mount Sefton ..	10,359	From high bivouac at head of Scott's Creek, Copeland Valley, to Karangarua Saddle across Balfour Glacier <i>ni ve</i> and west face to summit. Descent same way.
Dec. 29	Mr. Wycherley; Guide, G. Somervill	{ De la Beche .. Minarets Peaks	{ 10,022 10,058	{ From Almer Hut to Graham's Saddle and thence to south-west ridge to top De la Beche, descending to south column, and thence by south face of both peaks of the Minarets. Descent same way.
1940.				
Jan. 8	Mr. Brockett, sen. and Mr. S. Brockett, jun.; Guide, G. Somervill	Mount Drummond	8,200	} Ascent and descent from Almer Hut.
Jan. 9		Mount St. Mildred	7,839	
Jan. 18		De la Beche ..	10,022	} Same route as Mr. Wycherley's party.
		Minarets Peaks	10,058	
Jan. 18	G. C. N. Johnston and party ..	Minarets ..	10,058	

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