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In addition to the agencies mentioned in my last annual report, an office has been opened in Dunedin City. The opening of this agency was deferred, owing to the difficulty experienced in obtaining suitable premises. Those acquired in High Street are convenient for the public and otherwise satisfactory. Mr. Gow, the Commercial Agent for New Zealand in South Africa, is also acting as the Tourist Department's representative there, while the Agent-General is carrying out work of a similar nature in London.

I would again draw your attention to the advisableness of establishing agency offices for the colony in Sydney and Melbourne in the near future, and if these should be successful in promoting settlement and increasing the number of visitors to this colony, the question of extending such agencies to San Francisco, Colombo, and Vancouver should be considered. The establishment of agencies at these points would bring New Zealand into touch with practically the bulk of the travelling English-speaking people. The value of having active and intelligent representatives in such places to keep New Zealand prominently before residents and travellers would, in my opinion, be incalculable. As I previously pointed out, these offices need not be expensively conducted, but a feature should be a good exhibition of New Zealand products, in addition to pictures of our farming, industrial life, and scenery. By supplying information viva voce as to the general resources of this country, its climate, cost of travel, &c., a great deal could be done towards directing a desirable class of settlers to its shores.

ADVERTISING.

The Department has during the past year devoted much attention to the systematic advertising of New Zealand and its scenic and health resorts. An active scheme of advertising is carried on, and not only are the spas and pleasure-places of the colony advertised, but a leading feature is made of New Zealand's attractions as a country for permanent settlement. The advertisement of New Zealand in other countries is as yet in its infancy, but even up to the present excellent results have been achieved.

The value of photographs as a means of directing attention to this country and the scenic treasures which it contains cannot be too fully recognised. During the past year the policy of photographing the scenery, natural wonders, and leading cities and towns has been further pursued. The Department now possesses one of the finest selections of photographic negatives in New Zealand. Two thousand eight hundred of these pictures have been circulated within and outside the colony during the year, and it is hoped to make photography one of the leading methods of advertising New Zealand. Lantern-slides of New Zealand scenery have been in great demand in overseas countries, including Australia, America, and England. A hundred thousand coloured postcards of New Zealand scenery were obtained, and sold very rapidly, many orders coming from Melbourne and Sydney. A further supply of 100,000 is being obtained for issue.

Guide-books and pamphlets relative to New Zealand have been issued. Others are now in course of preparation by the Department, in pursuance of a scheme to deal thoroughly with all the scenic districts and routes of travel. Four thousand three hundred pamphlets have been sold and distributed free during the year.

The Department's Itinerary of Travel in New Zealand is in great request amongst visitors. It is proposed to include a few selected advertisements in future issues, with a view of recouping a portion of the cost of production. The Department will then be enabled to distribute the book free, instead of selling it as at present, and thereby assure a greater circulation.

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The Department has been in communication with the United Devon Association, England, with reference to reciprocal distribution of guide-books and other literature dealing with scenic resorts. The association has a very large membership, and the interest aroused amongst the members, and the advertisement of New Zealand in the Devonshire Press, cannot but have favourable results in directing attention towards this country. The association has promised to circulate New Zealand literature throughout Devon. The "Devonian," published by the association, has been placed in the agencies of the Department in New Zealand for the use of visitors.

DESTRUCTION OF FOREST.

The lamentable destruction of the New Zealand native forests is a matter towards which I may be permitted to direct earnest attention. The advance of settlement and the need for milling-timbers are responsible for the felling annually of immense areas of bush, more particularly in the North Island. No reasonable objection can be offered to the clearing of forest lands well fitted for settlement, or to the timber-milling industry conducted under proper restrictions. But our forests have been and are still being destroyed in a wholesale ruthless manner, without a thought being given to the future. In many cases bush lands have been sold for very small sums, and valuable timber has been wasted in a manner which is absolutely a crime against the nation. The timber on areas of utterly worthless land, quite unfit for settlement, has been burnt off, denuding the soil of the only good crop it will ever produce. Very often, too, neither the bush felled nor the land is of any commercial value, whereas had the bush been preserved the country-side would at least have retained its most attractive feature. It is pitiful to travel through such districts in New Zealand, made bare and desolate by the destruction of these grand growths of untold centuries. Some of the chief routes of tourist traffic in the colony have in this way been robbed of a great deal of their beauty. In many parts of the Marlborough Sounds, for example, the damage is irreparable. There are many districts of scenic interests where the forest can yet be spared, but immediate action is necessary. The main trunk line through the Waimarino Forest is a case in point. It is a national obligation that a large portion of this fine forest on both sides of the railway-line should be preserved strictly intact. In years to come this route will be one of the most popular tourist tracks in New Zealand, and the Waimarino and adjacent woodlands will be the only stretch of forest of any account on the whole journey between Wellington and Auckland. The beauty of the