3 11.--2.

Outside the Commonwealth the Department has adopted the method of working through its arrangements with a number of well-known travel agencies which conduct extensive travel business with and to all parts of the world. Under these arrangements—revised and improved during the past year—the travel agencies have been granted favourable commission rates on all business booked to New Zealand. To overcome the difficulties which would be faced by booking-offices overseas not possessed of detailed knowledge of travel in the Dominion, a wide range of standard or "priced" tours—specified in detail, and including all services from arrival to departure—have been supplied to these travel agencies. Satisfactory financial arrangements have been made, and these priced tours can be sold to cover either a short or a long period in the Dominion.

I am confident that the greatly improved conditions offered to and through these important avenues of tourist business should be of considerable assistance in drawing traffic particularly from North America and the United Kingdom. Unfortunately, the funds available are at present quite inadequate to provide, particularly in the extensive North American and European field, the publicity which is essential as a support to these improved booking arrangements. We are, however, assisted materially in that direction by the work of railway and shipping companies, which in varying degrees

and at different stages are interested in traffic to the Dominion.

The Department's efforts abroad in relation to the important matter of "selling" tours must necessarily be supported within the Dominion by an efficient booking-service. This internal organization has for many years catered effectively for the needs of New-Zealanders who require advice and assistance in arranging itineraries through the Dominion, but in the main centres (and more particularly at Auckland and Wellington) the staffs of the Department's bureaux are largely engaged in booking tours for overseas visitors, many of whom come to us through the agency of our branches overseas or from travel firms, with which we are continuously in contact, on a commission basis

While, therefore, our bureaux in New Zealand handle a great deal of "local" traffic, they are at the same time an essential part of the organization necessary to deal effectively with tourist business originating overseas. Even the bureaux in the smaller centres provide for overseas visitors a necessary service in readjusting, to meet the changing desires of visitors, itineraries originally fixed either abroad or at the port of arrival in New Zealand.

The total value of rail, motor, steamer, air, and side-trip tickets and accommodation coupons

issued during the past year was £173,930.

Publicity.

Prior to the financial year 1930-31, the national publicity work was controlled by the Publicity Office as a branch of the Department of Internal Affairs.

As the expenditure on publicity is directed towards the promotion of overseas trade and the development of tourist traffic, there is a very close association with the other functions of the amalga-

mated Department as now constituted.

It is unfortunate that financial conditions have necessarily limited the funds at present available for this work, and, while there has been substantial curtailment and some reorganization of the activities during the past year, every endeavour has been made to maintain a reasonable continuity of action to secure results. The view is taken by the Department that publicity to be effective must be reasonably continuous, particularly in the highly competitive trade and tourist "markets" abroad. We are forced to meet in America, Europe, Australia, and the East the very strong competition of the tourist publicity put out by other Governments and large transportation companies. In fact, outside Australia, at present our main tourist market, our efforts are relatively insignificant in face of the enormous expenditure of other countries. For example, it is reliably estimated that the Canadian Government, through various channels, spends annually, largely in North America, a sum approximating £500,000 on tourist publicity. In addition, the sum of £100,000 is set down as the estimated annual expenditure of the Canadian provincial and municipal governments on similar publicity.

This great publicity effort, backed by a favourable geographical location, results in an enormous tourist revenue to Canada, which for 1929 was officially estimated at approximately £60,000,000 and

for 1930 at £56,000,000.

Italy, Germany, France, and many other countries are also spending large sums in the endeavour to increase tourist traffic. A large proportion of this heavy expenditure is released in America, where, of course, enormous sums are also spent by national and private interests seeking to draw traffic to the tourist resorts and scenic areas in the United States and Canada.

The area over which our publicity effort might be expended is so extensive that a sum greatly in excess of that now available would be necessary to provide effective and continuous results, and the Department is fully appreciative of the fact that the attractions and resources of the Dominion are relatively unknown over wide areas. It has therefore been essential to limit to some extent the areas over which efforts may be expended, and to carry out a reasonably complete programme in Australia with relatively more restricted activities in America and the United Kingdom.

A number of different forms of publicity have been used. In Australia advertising in newspapers and periodicals has been used, and the results from different publications and forms of appeal "keyed" as a guide to future action. To a minor extent only has it been possible to use newspaper space in other countries. Window-display material, including "cut-out" designs, posters, transparencies, enlarged photographs, and sporting trophies have been supplied, particularly to Australia and Canada, for use by travel agencies and in our own offices and in special exhibitions and shop-windows.