

branch a considerable portion of the time of the Comptroller of Stores and his staff is taken up by the Stores Control Board work. The Comptroller of Stores is Chairman of the Advisory Committee attached to the Stores Control Board, and as such has heavy responsibilities. Each District Railway Storekeeper is also a purchasing officer for other State Departments, and a member of the Supplies and Tenders Committee in his district.

The work ahead of the branch in connection with the business of the Stores Control Board includes assisting in the standardization of many lines in common use by more than one State Department, and generally of further co-ordinating the stores business of the Government and the system of procuring supplies in the best available markets.

Every responsible officer of the Department whose duties have involved acting under the regulations of the Stores Control Board has freely placed his knowledge, experience, and energy at the service of any Department requiring them, and the whole of the stores organization of the Railway Department has been made available to the other Departments in furthering the interests of the State.

STORES.

The amount expended during the year on stores and materials for Working Railways was £1,783,642. Of this amount the sum of £1,446,185 was paid for stores purchased in New Zealand as a result of the policy pursued of so conducting the Department's purchasing operations as to keep within the Dominion the greatest proportion of the expenditure consistent with the demands of economy. The practice of giving preference to British manufactures over those from foreign countries has been continued, resulting in the sum of £337,457 being paid through the High Commissioner in London.

In operating the Stores Branch during the year every effort has been made to economize. Great care has been taken in buying, especially in connection with materials for forward delivery, due consideration being, however, given to the necessity for maintaining a stock sufficient to meet immediate requirements, and to provide for the future wants in a manner that will ensure that the Department's operations are not hampered through lack of regular supplies. Although market conditions have improved to some extent over those of the previous year, it cannot be said that normal trading conditions have as yet been wholly restored. There is, however, a more hopeful outlook that prices will gradually become more stabilized. Up to the present it has not been possible to return to the pre-war system of procuring stores under contracts for definite terms, neither would it be advantageous to do so until it is clearly established that prices have stabilized.

The matter of encouraging New Zealand manufacturers to produce materials and goods of the quality to meet the Department's requirements at reasonable prices has been given careful attention, and much has been done to assist and develop the industries of the Dominion along these lines. During the year also an increasing number of British manufacturers have appointed representatives in this country, and there is greater readiness than ever before to supply the kinds and qualities of stores and materials required for the Department's purposes.

SAWMILLS.

The Frankton Junction sawmill commenced operations in January last. It is a high-powered band sawmill driven by electricity, and is proving a valuable adjunct to the Department's activities.

Prior to its being brought into service the Department was under the necessity of purchasing considerable quantities of sawn timber from outside sources to supplement the product of the Mamaku mill, the output of which was insufficient to meet requirements.

The Frankton mill produces the whole of the timber required for the house-factory, together with a surplus which, combined with the output of the Mamaku mill, will provide fully for all the requirements of the Department, and obviate the necessity previously existing for purchasing sawn timber from outside mills.

The Mamaku mill was operated with satisfactory results during the year. The total quantity of sawn timber produced was 4,000,000 superficial feet. The bush areas of Pokako and Erua from which log timber is obtained for the Frankton mill have been fully organized and equipped for logging purposes. The logging operations are undertaken by the Department, and in that connection comfortable accommodation has been provided for the staff.

ADVERTISING AND PUBLICITY.

The volume of the business done by the Advertising Branch has maintained the steady increase of recent years, and has more than justified the step that was taken when the branch was opened and it was decided that the Department would itself control the displaying of advertisements on its premises.

The revenue accruing from the operations of the branch has been very considerably in excess of that received by the Department under the old system of letting the advertising-rights to private contractors, while the standard of the display has in itself more than justified the new departure.

The publicity side of the functions of this branch has also continued to develop during the year, and the reception that was accorded to the booklet that was compiled during the previous year has been so favourable both within the Dominion and abroad as to justify a considerable expansion of the activities of the branch in this connection. There is therefore now in hand further matter of a similar nature which it is hoped will be completed at an early date, and which will be freely distributed both within and without the Dominion to the best possible advantage. In this connection it may be noted that reciprocal arrangements have been entered into with numbers of large companies abroad,