

In addition to a wide range of purely railway subjects, the *Magazine* is concerned with the national life and colour of New Zealand. With bright illustrated articles on the rail-served tourist, health, and sporting resorts and other interesting matter, the *Magazine* appeals to the whole of the public, and has an appreciable general-publicity value to the Dominion.

The monthly circulation of the *Magazine* is now twenty thousand copies. Approximately two-thirds of this total is distributed free to members throughout the service, the balance being circulated amongst the principal newspapers, commercial institutions, hotels, boardinghouses, and public libraries in the Dominion. Moreover, for the purpose of advertising New Zealand overseas, copies are sent to the High Commissioner's Office in London, and to Europe, Canada, the United States, South Africa, and Australia. From all of these countries unsolicited tributes to the *Magazine* have been received, and information has been sought concerning the facilities for travel and sport in the Dominion—a fact which demonstrates the publicity value of the *Magazine* beyond the Dominion.

The press of the Dominion, ever friendly towards the *Magazine*, gives prominence to the official pronouncements each month, and commends the general excellence of the publication.

In accordance with the indication given in my last annual report, substantial economies in the cost of the publication to the Department have been effected, with the result that the outlay for this sixty-eight-page magazine of twenty thousand circulation will work out at about 1½d. per copy in the current year. This represents a very moderate expenditure for the departmental and publicity usefulness of this enterprise. Moreover, it is anticipated that the increased advertising activity, recently planned, will still further reduce the cost of the *Magazine* and, whilst still maintaining the free circulation amongst the staff and business houses, eventually bring it close to the self-supporting stage.

Altogether, the *Magazine*, which serves an indispensable purpose in the successful working of the far-reaching railway system, is one of the cheapest forms of publicity available to the Department.

In connection with the *Magazine*, an economical standardization principle has been adopted by the Publicity Branch for the production of "Travel by Rail" folders. These are produced in Crown quarto (the same size as the *Magazine*) so that suitable matter (illustrations or letterpress) can be moved from the *Magazine* into a folder or *vice versa*.

SUPERANNUATION FUND.

The report of the Superannuation Fund Board for the year ended 31st March, 1931, shows the position to be as follows:—

Payments that required to be made on account of annual allowances totalled £299,489. These payments were in respect of 1,614 retired members, 523 widows, and 397 children, making a total of 2,534 persons actually on the fund at 31st March, 1931.

Members' contributions to the fund totalled £170,686, and interest that accrued to the fund from investment totalled £80,049.

At 31st March, 1931, the liabilities to contributors in respect of amounts	£
paid in was	1,741,008
The total accumulated fund was	1,488,566

The amount standing in the Investment Account in the balance-sheet is represented by the following securities:—

	£
Mortgages	870,604
Local bodies' debentures	215,415
Government securities	285,700
Rural-advances bonds	67,000
In hand awaiting investment	842
	<hr/> £1,439,561 <hr/>

The average rate of interest on securities held on the 31st March, 1931, was 5·744 per cent. The average rate of interest earned on the mean funds was 5·737 per cent.

TRANSPORTATION.

As I have mentioned earlier in this report, we were able during the year to bring to finality our investigation into and review of the train services. A special investigation was made into the working of each branch line and each zone of our main lines throughout the Dominion, with the object of reducing the operating expenditure to the lowest limits consistent with giving an adequate service to the community, and also with the object of taking remedial measures where necessary and practicable to meet the changing conditions of our business arising out of competition and other circumstances. The traffic for the year ended 31st March, 1930, had constituted a record for our railway system, and, apart from other considerations, the rapid falling-off in the traffic and revenue during the year ended 31st March, 1931, owing to the trade depression and financial stress throughout the country, necessitated a complete and rapid readjustment of our services to permit of a reduction in our operating expenditure to meet the falling revenue. The detailed information that had been obtained in connection with the special investigation referred to above enabled us to make the review on a sound basis of ascertained and correlated facts, and to bring the necessary economy measures into operation promptly and with a minimum of inconvenience to our clients.