

The revenue on this section increased under all headings, the largest increase being in goods traffic (£4,327). The main reasons for the higher expenditure were increased maintenance of track, heavy repairs to a locomotive, increased charges for working wharf consequent upon increased traffic, the restoration of salaries and wages to the 1931 level, and the introduction of the forty-hour week.

The operating loss on the section was £253, compared with £785 last year.

Westport.—Revenue amounted to £77,437, an increase of £9,358 (13·75 per cent.). Expenditure amounted to £65,489 an increase of £7,740 (13·40 per cent.).

The operating profit on this section was £11,948, an increase of £1,618 (15·66 per cent.).

The principal increase in revenue was derived from coal traffic, the tonnage this year being the highest carried since 1931.

The main increases in expenditure were in maintenance of rolling-stock, locomotive transportation, and traffic transportation charges. The restoration of salaries and wages to the 1931 level and the introduction of the forty-hour week involved additional expenditure.

PUBLICITY.

During the year the Publicity Branch strengthened its hold of ground previously gained and has extended its campaigns. The cumulative effects of long-sustained widespread publicity activities are pleasantly visible in the popular movement "Back to the Rail."

In presenting the case for railway transport this Branch has used every method which could be confidently expected to be effective. Newspaper space has again figured largely in the programme which has included issues of illustrated booklets and folders, posters, Neon signs, and window-displays in railway booking-offices.

A natural development from the series of railway chats from 2YA, Wellington, and other national radio stations during recent years was the decision to use commercial broadcasting stations for special programmes of talented artists, with a "top-dressing" of railway message. The experimental programmes broadcast from 1ZB, Auckland, proved so impressively successful that it was decided to extend this enterprise.

The relations of the Branch with the press have again been happy. The newspapers have shown a ready willingness to open their columns for fair and adequate news and views of railway matters.

The Branch has again taken opportunities to co-operate with local bodies, chambers of commerce, progress leagues, and other organizations, public and private, in the promotion of travel to the districts concerned. In some of these cases the publicity campaigns have ranged beyond New Zealand. The expert assistance of the Branch in the preparation of newspaper advertising, illustrated literature, posters, &c., and in the distribution of the message has been praised by the contributors to the joint schemes. The Branch has reached the position of being one of the principal factors in "selling" the scenic, sporting, and health resorts of New Zealand to New-Zealanders; the Branch is also helping appreciably to "sell" those priceless assets to prospective tourists of other countries.

The *New Zealand Railways Magazine* has strengthened its reputation as "New Zealand's national monthly." The value of this publication from the railway viewpoint has been well maintained, and national features and illustrations have been increased. The success of this progressive policy is seen in the response of the general public and advertisers.

The returns from sales and advertising totalled £3,883 14s. 4d., an increase of £475 10s. 5d. (13·97 per cent.) over the previous year.

Increasing numbers of readers are buying copies of the *Magazine* for despatch to friends or relatives overseas. Altogether, sufficient copies go to residents of other countries to give the *Magazine* an important place among publications planned to attract visitors to the Dominion.

The *Magazine* has a well-recognized value in enabling New-Zealanders to increase, pleasantly, their knowledge of their own country and to obtain helpful inspiration from bright chronicles of the lives of famous men and women who assisted in the making and shaping of the "Brighter Britain of the South."

The *Magazine* has also offered worthwhile scope for talented New Zealand writers of verse and prose, and is thus helping in the evolution of a distinctive New Zealand literature.

COMMERCIAL BRANCH.

Dealing with the activities of the Department on the commercial side the marked improvement in the trading and industrial outlook which has manifested itself during the past year has provided greater opportunity for an expansion of railway business than has been possible under the depressed economic conditions experienced during recent years.

Whilst there has been a pronounced upward trend in the volume of goods carried, competition by commercial vehicles has continued to seriously affect the Department's business. In the past this competition was met in the only way open to the Department—i.e., by reducing the higher railway rates to a level commensurate with those charged by the road operators. From the point of view of the community as owners of the railways it cannot be concluded that the continued existence of the conditions which compelled the adoption of this line of action is in the public interest or that the stability of the railway financial position is likely in the long run to be improved thereby. This is due in some degree to the fact that a lowering of the freight standard to safeguard a section of the business threatened by competition must also have application to all goods of a similar nature moving between the same points regardless of the fact that a substantial portion of such goods would under ordinary circumstances and with the facilities available move by rail at standard freight rates.