

A lucrative new field of business covered during the year was box-wagon advertising, contracts being secured for space on 45 wagons in the North Island and 51 wagons in the South Island. There are now 122 box-wagons carrying advertisements.

The total return to the Department in respect of operations of the Advertising Branch during the past five years was as follows:—

|                           | 1935.          | 1934.          | 1933.          | 1932.          | 1931.          |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
|                           | £              | £              | £              | £              | £              |
| Rent, land, and buildings | 797            | 800            | 1,000          | 1,000          | 1,000          |
| Rent, advertising-sites   | 7,259          | 7,890          | 7,593          | 8,741          | 10,644         |
| Commission .. ..          | 737            | 786            | 780            | 960            | 1,236          |
| Interest .. ..            | 1,017          | 1,261          | 1,413          | 1,697          | 2,070          |
| Railage .. ..             | 357            | 390            | 265            | 293            | 260            |
| Profit .. ..              | 2,088          | 2,548          | 3,676          | 2,898          | 1,249          |
|                           | <u>£12,255</u> | <u>£13,675</u> | <u>£14,727</u> | <u>£15,589</u> | <u>£16,459</u> |

#### RAILWAY PUBLICITY.

The Publicity Branch provides a useful adjunct to the operation of the railway system. It has been used to further the Board's policy of commercial development in every field of transport activity. The value of publicity organization has been enhanced during recent years. It has been necessary to carry out intensive campaigns of advertising with a view to developing every avenue of enterprise. The general result has been to stimulate a greater use of the rail for both passenger and goods traffic and to keep the general public in close touch with the rail facilities available; especially has this effect been noticeable in the cumulative effort of persistent systematic campaigns in the "back to rail" movement which the Board's "community service" policy has promoted.

*The New Zealand Railways Magazine.*—The magazine, now in its tenth year of publication, fulfils a useful function. The extension of the *Magazine's* field of operations to include all matters of general national interest was favourably received, and the support by both advertisers and subscribers was such that the Board resolved to increase the size of the publication by a further sixteen pages. The enlarged *Magazine*, which contains sixty-four demy-quarto pages of news and illustrations, is gaining in popularity and support.

Apart from its free circulation to the staff and to the Department's customers (where its influence is beneficial to the Service as a whole), the *Magazine* has Dominion-wide circulation amongst the general public, also a considerable circulation overseas, where it serves to advertise New Zealand's Railway Service. At no period since its inception has the *Magazine* been more popular—a fact borne out by increasing sales, the revenue from which is steadily growing. There were 241,500 copies of the *Magazine* issued during the year. Advertisers, too, continued to give the *Magazine* liberal support, contracts being renewed in many cases with a covering letter extolling the value of the *Magazine* as an advertising medium. The net advertising revenue for the year was higher than ever previously recorded. The net cost of the *Magazine* to the Department was only 1·74d. per copy, and when the publicity value to the Service is taken into account it must be regarded as fully justified.

#### REFRESHMENT SERVICE.

| —                 | 1935.  | 1934.  | Variation. | Per Cent. |
|-------------------|--------|--------|------------|-----------|
|                   | £      | £      | £          |           |
| Revenue .. ..     | 79,817 | 73,657 | + 6,160    | 8·36      |
| Expenditure .. .. | 77,685 | 72,872 | + 4,813    | 6·60      |
| Net revenue .. .. | £2,132 | £785   | +£1,347    | 171·59    |

An analysis of the Refreshment Branch receipts is as follows:—

| —                   | 1935.   | 1934.   | Variation. |           |
|---------------------|---------|---------|------------|-----------|
|                     | £       | £       | £          | Per Cent. |
| Dining-rooms .. ..  | 9,720   | 9,361   | + 359      | 3·84      |
| Counter-rooms .. .. | 67,446  | 61,909  | + 5,537    | 8·94      |
| Miscellaneous .. .. | 2,651   | 2,387   | + 264      | 11·06     |
| Totals .. ..        | £79,817 | £73,657 | +£6,160    | 8·36      |