

Nelson.—Revenue amounted to £11,955, an increase of £621 (5·48 per cent.). Expenditure amounted to £23,127, an increase of £3,161 (15·83 per cent.).

Goods traffic shows an increase of £1,051, the commodities contributing to the increase being fruit (£281), coal (£667), wool (£689), and tallow (£318). Receipts from timber and other miscellaneous items show a decline.

The increase in expenditure was largely due to heavy repairs to locomotives and increased maintenance charges.

The operating loss on the section increased from £8,632 last year to £11,172 this year.

Pictou.—Revenue amounted to £33,920, an increase of £81. Expenditure totalled £38,683, an increase of £4,591 (13·47 per cent.).

Revenue remained practically stationary. The sharp rise in expenditure was largely due to heavy expenses incurred in connection with locomotive repairs. Traffic and locomotive transportation charges also increased on account of increased wages and fuel-costs.

The operating loss on the section was £4,763, compared with £253 last year.

Westport.—Revenue amounted to £91,726, an increase of £14,289 (18·45 per cent.). Expenditure totalled £75,570, an increase of £10,081 (15·39 per cent.).

The operating profit on this section was £16,177, an increase of £4,208 (35·22 per cent.).

Receipts from coal traffic were almost entirely responsible for the substantial increase shown in goods revenue—viz., £13,434. The tonnage of coal carried in 1938 was 427,660 tons, as compared with 352,980 tons last year.

The main increases in expenditure were in maintenance of way and works, locomotive transportation, and traffic transportation charges.

The operation of wharves was responsible for the greater portion of the increase in traffic transportation charges, the expenditure under this head having risen by £2,187 (25·83 per cent.). Increased fuel and wages costs were responsible for the rise in locomotive transportation charges.

PUBLICITY BRANCH.

The principal feature of this Branch's operations during the year has been the greatly increased use made of radio as an advertising medium. From a modest beginning in the way of experimental broadcasts from Station 1ZB, Auckland, its activities in this field have expanded to such an extent that programmes sponsored by the Department are now broadcast at regular intervals from each of the four stations of the National Commercial Broadcasting Service. This innovation in the Department's publicity arrangements has been completely successful, the efficacy of these programmes having been borne out by actual results.

Newspaper advertising has continued to be the Branch's chief means of disseminating its publicity, a well-prepared series of attractive advertisements, presenting the Department's many services, having appeared in most of the established newspapers and periodicals published throughout the country. A natural adjunct to this publicity has been the preparation of special articles on railway matters, the newspapers again having demonstrated their readiness to co-operate with the Department in providing readers with an impartial and interesting presentation of facts and news relating to its activities.

"Informograph" machines, mechanical aids to obtaining general information, were introduced with the opening of the new Wellington Station, and these have become so popular with the travelling public that the installation of further machines is being arranged.

Noteworthy publications issued by the Branch during the year were the *New Zealand Railways Illustrated* and *A Record of Progress*. The *Railways Illustrated* has been so well received that the preparation of a second edition has been found necessary. This valuable publicity has been achieved without charge, receipts from sales having more than covered the production costs of the book. Very favourably received by the press of practically every country in which it has circulated—one of the foremost railway journals of the world describes it " . . . the most remarkable publicity album ever produced by a railway administration that we have seen"—the *Railways Illustrated* has served to emphasize the leading part the Department now takes in attracting tourists and promoting travel within New Zealand.

Published simultaneously with the opening of the Wellington Station, the *Record of Progress*—a book that featured prominently at the official opening of the building when over a thousand copies were distributed among the guests—has also been in great demand in New Zealand and overseas, a fact that affords proof of its value as a contribution to railway literature.

Large numbers of illustrated folders and leaflets were also printed and distributed, among these being many thousands of folders of the *See New Zealand by Rail* type.

The expert presentation of the Branch's publicity through the many channels employed—hoardings, posters, Neon signs, theatre screens, radio, newspapers, and other media—has met with a definite response from the public, as evidenced by the record traffic handled during the year. In the preparation of their printed matter and general advertising, other Branches likewise have benefited from the Publicity Branch's specialist organization.

So wide and varied have the continually expanding activities of the Branch become that strengthening of the staff was found necessary, the work now turned out by the Photographic and Plan Printing Division, in particular, being exceptionally heavy.

Continued use is being made, by the press and other publications, of the Branch's extensive range of photographs and illustration blocks, the frequent reproduction of which is serving a double purpose; furthering the "Know-your-own-country-first" movement, and pleasantly "tied-up" with the Department's constant admonition to the public of New Zealand, "Your Railways for Your Welfare."