

declined from £377,585 in 1917 to £363,804 at 31st March, 1919, a decrease of £14,000 in two years; and that during the same period the liability of the fund to the contributors had increased by £64,800 in respect of cash contributed. He further stated that "it was imperatively necessary that steps be at once taken to stabilize the Railway Fund without further delay," and he strongly recommended "the sum of £150,000 be paid to the credit of the fund this year, and that future payments by way of subsidy should be £50,000 per annum."

The General Manager's communication was at once referred to the Actuary, who has reported that it will take some time to collect the necessary data and make the valuation, and he recommends an immediate increase in the subsidy of £50,000, making an annual contribution of £75,000 instead of £25,000, and that the matter be reviewed and adjusted when the result of the actuarial investigation is available.

The sufficiency of the fund is guaranteed by the State, but in order to remove any possible feeling amongst the Railway employees as to the stability of the Superannuation Fund, and to assure them of the readiness of the Government to keep it sound, the extra £50,000 will be provided *on this year's estimates*, and instructions will be issued for an actuarial investigation as early as possible.

PUBLIC SERVICE AND TEACHERS' SUPERANNUATION FUNDS.

The annual contributions to the Public Service Superannuation Fund in accordance with the Actuary's report of the 25th May, 1918, for the triennial period ended 31st December, 1916, was increased from £48,000 to £86,000 under the authority of section 26 of the Appropriation Act, 1918.

By section 25 of the same Act the subsidy to the Teachers' Superannuation Fund was increased from £17,000 to £43,000 in accord with the Actuary's report of the 22nd September, 1917, for the triennial period ended 31st December, 1916.

It was clear from the reports that the Actuary intended the increased subsidy should be made for the years 1917, 1918, as well as for 1919.

The amount of subsidy short-paid for the two years is £76,000 for the Public Service Superannuation, and £52,000 for the Teachers', or a total of £128,000.

I am making further inquiry with regard to this shortage, and, if found necessary, will make provision by appropriation before the session closes.

BOARD OF TRADE.

During the year the Board of Trade was mainly concerned with the purchase and distribution of New Zealand wheat, and the handling of the purchase of wheat by the Government to make up the local shortage; an exhaustive inquiry into the coal-mining industry; the preparation and administration of the scheme for the control of the timber industry with a view to the satisfaction of the New Zealand requirements before export was permitted; the preparation and administration of a scheme, in conjunction with the Munitions and Supplies Department, for the importation, distribution, and sale of petrol; the administration of schemes for the control of prices of those commodities which in the opinion of the Government it was necessary in the public interest to control.

Details of the Board's work and of the operations herein referred to will be found in the annual report of the Board of Trade, which will be laid before you in due course.

A separate report on the coal industry, containing full information on the various phases of the coal-mining industry, has been issued and will be laid before you.

The Board in its annual report draws attention to the need for extension of its powers and functions to meet the difficult problems that will arise during the reconstruction period, and also as part of the permanent peace policy. If the Board is to achieve the purpose for which it was created it is essential that its functions should be enlarged and its powers extended. Especially should it have the power to obtain full information regarding the operations of any trade or industry which it has to investigate, and to publish, in its discretion, such facts as should be made known in the public interest.