Having regard to the world-wide unsettled conditions that exist as a consequence of the war, and the impossibility of forecasting when normal circumstances will be restored, prudence compels me to adopt a conservative view in respect to the railway revenue and expenditure for the year ending 31st March, 1921. I anticipate, however, that the revenue will be £6,000,000 and the expenditure £4,612,500.

It is a matter of regret that circumstances have precluded any material progress being made with the important essential works proposed in 1914. The lack of accommodation results in congestion of traffic, and is a serious obstacle to successful operations.

SUPERANNUATION FUND.

The total amount standing to the credit of the Government Railways Superannuation Fund at the end of the financial year was £408,233, an increase of £44,428 on the balance to the credit of the fund on the 31st March, 1919. The gross income for the year was £196,615, and the outgoing amount £152,187. Of the latter amount, £94,464 represents grants to 1,117 members of the service who have retired voluntarily or have been retired medically unfit, 391 widows and 547 children dependants on deceased contributors to the fund who were members of the service at the time of their death. The income from the actual contributions of members totalled £104,130, or £11,677 less than the estimated annual liability. The receipts are, however, augmented by a Government subsidy of £75,000 and amounts received by way of interest on funds invested and fines imposed under the regulations. These amounted to £17,769.

The financial position of the fund is such as to entirely preclude any possibility of its being able to bear any increase in the liabilities already imposed under existing statutes; but, having regard to the disabilities suffered by beneficiaries of the fund owing to the increase in the cost of living, consideration is being given to proposals having for their object the granting of temporary allowances, which will not, however, be a charge against the Superannuation Fund.