

39. As I understand it, then, some of the non-commissioned officers of the Permanent Force are apparently not included?—Apparently they are not.

40. Were they left out intentionally, or was it accidental?—They were not left out intentionally by me. I have taken the schedules supplied to me by each Department.

41. *The Right Hon. Sir J. G. Ward.*] I may say that I have no objection to including the Permanent Artillery—that is, those permanently employed and paid by the State, but not, of course, either Volunteer officers, or Volunteers, or members of the militia. It must apply only to the permanent Government employees.

42. *Mr. Laurensen.*] At what do you estimate the total subscriptions from the Public Service for the first year, Mr. Fox?—That is in the schedule. If they all came in, there would be £64,000.

43. Plus the £20,000 proposed to be paid under the Bill?—Yes.

44. That would be £84,000?—Yes.

45. And you estimate that if everyone entitled to a pension were to come on the fund there would be a maximum charge of £28,500 at first?—Yes.

46. So that at all events for the first three years there would be no necessity for the Government to pay into the fund?—You are mixing up two things. The greater part of that £64,000 is required to accumulate at interest to meet future liabilities.

47. You say that the total payment by the Government, after the lapse of over twenty years, will not be more than £52,000?—I do not think I made use of that expression. I was saying that in eighty years it will have come down to about £50,000; in thirty-five years it will be at its maximum.

48. What I gathered from you was this: that after a certain period, say, twenty years or so, the disbursements by the Government on account of the pensions under the Act of 1866, and the gratuities, and so on, would practically have disappeared?—Yes.

49. And that then the total payment by the Government under this scheme would be represented by a little over £50,000?—I said that it may have increased to £55,000 to £60,000.

50. What I want to get at is this: How many, roughly speaking, are benefited by our present system—that is, how many are benefited by the Pension Act and by way of compensation and gratuities?—In my previous report there is a paragraph which explains that. I will read it:—

*“ Compensation, Gratuities, and Existing Pensions.*

“ There will be found in Appendix No. 6 a complete summary of the compensation, gratuities, and pensions which have been paid yearly from 1859 to 1906. I have extracted the information independently from the Journals (House of Representatives), and care has been taken to insure their correctness—which cannot, however, be guaranteed. They will be of practical interest, as they show the whole of the Government expenditure which can be effected by the introduction of a superannuation scheme. The total of this expenditure (outside the scheme) will tend to diminish, and will be completely extinguished in time. The gratuities will discontinue immediately, the compensation will cease to accrue further, and the outgo for pensions under the existing Civil Service Acts will eventually cease independently of the superannuation scheme. In reference to existing pensions I have the particulars of the 86 present members of the service who are believed to be the only ones who can become prospective pensioners. I would suggest that the corresponding particulars of the 132 pensioners who were alive in 1906 should be supplied to me. This would be a simple matter, and I could then form a practical estimate of the probable outgo on account of pensions under the existing Civil Service Acts for each future year till they are extinguished. The results would be interesting, and would probably show that the total Government assistance to Civil servants for many years after the introduction of the proposed superannuation scheme will not be so great as might be expected.”

51. There are 132 on the pension fund and eighty-six prospective ones?—That is the whole lot who can come on, and those eighty-six are now all fifty years of age or over.

52. Would you have any idea how many people would have benefitted by the gratuities we have voted and the compensation paid?—I have no idea of the number. I doubt if that is given in this return. I have only taken down the amounts, not the number of persons. The gratuities paid last year amounted to £8,000, compensation to £8,000, and pensions £26,000.

53. How many people altogether will be benefitted by the Bill?—Between five thousand and six thousand.

54. I suppose you cannot give us any information as to the saving which will be effected after the Bill comes into force by superannuating old and highly paid men and promoting younger men with shorter service behind them to the positions rendered vacant?—I cannot, but I have no doubt there will be a saving. In my former report I said,—

*“ Reasons for Superannuation generally and the Scheme recommended in particular.*

“ The advantages arising from well-considered superannuation schemes are so evident that many large employers of clerical and other labour have recognised their importance by adopting schemes of the kind in practice, and the tendency of the present day appears to be in the direction of extending the system. It has been pointed out by others that a sentimental consideration for the employee is not the sole motive for expenditure of this kind by corporations and bodies of men engaged in the profitable investment of capital. They are certainly guided by business principles, and realise that well-considered expenditure in this direction is justified by the ultimate results. All employees are compelled to partially provide for their future, thus relieving their employer of the assistance he would be practically forced to extend in necessitous cases. But