

in the subsidies payable by the Government to the three funds." Yet, as already pointed out, one of the Commission's proposals (the pound-for-pound subsidy in regard to trading Departments) would actually have relieved the Government of a subsidy last year amounting to £28,000.

In paragraph 1478 the Commission refers in favourable terms to the arrangement made regarding the National Provident Fund. The vital point of difference here is that the National Provident Fund was arranged in the first place on an actuarial basis, but there was no intention at any time up to the present of treating the State Superannuation Funds on the same basis.

The Commission also suggests the desirability of the Government affording the Superannuation Boards the opportunity of considering their proposals in full. The extraordinary position about the Commission's report is that it did not arrange to obtain these views before submitting its report. Had it done so there is strong reason for believing that its report would have taken a very different colour, instead of being dominated by a five-years-old report by the Government Actuary, a report which has already been shown to have been faulty in its deductions.

#### *Objections to the Bill.*

*Sections 1 and 2:* The Act proposes to bring the Government Railways Superannuation Fund into line with the other Government Superannuation Funds. This is most improper for two reasons: (1) the Railways Fund started several years before the others, and (2) the Railways employ a higher proportion of wage-earners to salaried men than either of the other services.

It is obvious that the Bill has been prepared with "officers" in view, whereas a proper consideration of the Railways Fund would give chief prominence to the wage-earners, as their contribution constitutes over 75 per cent. of the total annual contributions of members (see page 11, D.-5A, 1932), and the proportion of higher-rated retiring-allowances is consequently much lower in the Railway service than it is in either the general Public Service or the Education service.

*Section 3;* This takes away the right to retire after forty years, by adding a requirement that the age of retirement must be sixty years for a male and 55 for a female.

The serious objection to this section is that, besides breaking contract with those who joined the Fund under a State guarantee, it re-introduces the principle of unduly long service in a State Department. The principle of a forty-years maximum service was fought for and decided upon many years ago as one way by which undue conservatism in State management of business might be prevented, and as a means of giving reasonable opportunities of promotion to the younger members of the services.

It is a known fact in psychology that after a certain age there is a reluctance to accept new ideas, and the history of State Departments in this country shows that an improvement in management was only effected when the compulsory retirement of senior men after forty years of service was introduced.

In regard to railway work, and in comparing it with employment in other branches of the Public Service, it is known and recognized that because of its arduous nature, the very irregular hours which so many of the staff are required to work, and the large proportion of members who have to carry on outdoor occupations in all kinds of weather, the average chance of surviving through even forty years of service is comparatively small. Further, should such members be kept on for a longer period, a definite element of danger to the public is introduced.

For instance the public, and certainly the management, could not contemplate with equanimity the picture of a 65-year-old engine-driver on the "limited" speeding through the dangerous King-country with a 65-year-old fireman trying to keep up steam while helping to watch for signals, with passengers in the care of a 65-year-old guard, and the express all the while accepting signals set by 65-year-old signalmen.

Every practical railwayman knows that, excepting in unusual circumstances, a railwayman engaged in any of these occupations before reaching 65 has had his nerves shattered, his eyesight strained, his hearing weakened, and his general physical efficiency reduced in other ways, long before he is 65, as a result of the exacting nature of the service which his work entails.

For most of the work, comparatively young and constantly alert members are necessary if the high standard of safety, for which railways now hold an enviable record, is to be maintained.

As showing the difficulty of "going the whole distance" even under present superannuation conditions, it should be noted that fourteen thousand out of thirty-one thousand joining the scheme had faded from active participation either by withdrawal or by dismissal between the years 1903 and 1927 (see D.-5A, page 9, 1932). It is certain that no comparable losses from these causes can be shown in regard to male members in the other Superannuation Funds.

In this connection it is interesting to note that at the 31st March, 1926, there were only 1,367 members actually on the Fund. Even with the heavy loading placed on the Fund by the retirement in the last two years of large numbers as part of the Government's economy campaign, it is interesting to note that there were only 2,296 ex-members on the Railways Fund at the 31st March, 1932.

This clause really proposes to change the entire basis of the existing superannuation rights of Railway employees, and, as such, must be totally condemned for its contract-breaking contents.

*Section 4:* This section professes to indicate how actuarial allowances are to be computed. If it actually did this, it would be a most enlightening clause. All it does do, however, is to indicate that the Government places complete reliance upon a certificate by the Government Actuary as to the amount upon which a contributor's retiring-allowance is to be calculated.

As no tables to indicate the actual effect upon the retiring-allowances of members to be produced by this section have been prepared, the result of this proposed legislation cannot possibly be calculated, and if the Government agrees to putting such a clause into effect it will not only be repudiating solemn contracts by the State, but will also be breaking these contracts without any accurate knowledge of the actual effect of the breakage.