

*Mr. Gill:* Might I say, sir, that that is not quite correct. I suggested the tying-up of the fund for three years, but it was the contributions, not the contemplated teachers' increases. It was the contributions themselves that I suggested to be tied up for a period of three years; and these contributions, amounting to about £90,000, would come from the teachers themselves.

127. *Mr. Major.*] I see. I would like to hear an expression of opinion from Mr. Davidson upon that point?—I think it would be a pity if the coming into operation of this reform had to be delayed for three years. I feel that the great majority of the teachers throughout the colony would be quite willing that the £26,000 contemplated to be given in increases of salaries for next year should be placed to the credit of the fund. I think that great disappointment would be felt if the coming into operation of the scheme were delayed for three years.

128. *Mr. Sidey.*] Was there any meeting of teachers in Dunedin before you left?—There was.

129. Were you present?—Yes. I presided at that meeting.

130. Did you place before that meeting the proposals which you have laid before us to-day?—No, not in detail, but they were discussed, and my opinion is that if it were possible to give effect to these suggested modifications the teachers there would be quite willing to accept the Bill.

131. The proposals you have made were not definitely submitted to the meeting?—No, they were not.

132. Why was that?—I had not thought the proposals out. I thought most of these modifications out on the journey up from Dunedin.

133. The difference between the proposed scheme and the one embodied in the Bill is a difference that, I understand, affects only the present teachers?—That is so, I should say.

134. It does not at all affect new teachers coming into the service and coming under the scheme?—Not at all, I think.

135. As far as the new teachers are concerned, the proposals of the teachers' conference and the proposals in the Bill are identical. Is that so?—Yes.

136. (To Mr. Fox) You gave us the annual payments that would have to be made by the State in order to make the superannuation scheme sound, under the proposals contained in the Bill and the proposals of the teachers. For how long a period would these annual contributions have to be made?—It is the interest on a perpetual debt.

137. Notwithstanding that the two schemes approximate one another in the course of time?—It is a debt, just the same as if the capital value were lent on mortgage.

138. (To witness) You have made a suggestion that, in order to strengthen the fund, a person be prevented from coming on it quite as soon as is proposed—that is to say, that a person sixty years of age at the coming into operation of the Act should not come on the fund till he is sixty-five. I suppose you would be willing to allow a teacher to buy into the fund?—That suggestion has been made, but I personally do not like it at all.

139. Supposing that a teacher who was sixty, instead of waiting till he was sixty-five, was prepared to pay a sum that would represent the contributions which he would otherwise have to pay in—would you not allow him to do that?—No. If he were in receipt of a salary of £300 his contributions for five years at £30 a year would amount to £150. That would not strengthen the fund nearly to the extent it would if he were to delay coming on to it for five years.

140. It would be quite easy to calculate what the deficiency would be, and would you not allow him to buy into the fund by paying a sum that would represent the amount which would be contributed by him if he remained on for five years?—If a teacher were prepared to strengthen the fund by paying in the amount represented by his contributions plus the amount by which the fund would be strengthened by his delaying coming on to it, well, no possible exception could be taken to that.

141. But you object to allowing a man, generally speaking, to buy into the scheme?—Yes.

142. You have stated that those who retire voluntarily, if they have not served for ten years, should not be allowed to withdraw the whole of their contributions?—That is so.

143. Would you be in favour of extending that even beyond ten years?—I think not. I think ten years is sufficient.

144. I understand you would apply it not only to females, but to male teachers?—That is so.

145. *Mr. Fowlds.*] We have frequently been told that what the teachers want in connection with the superannuation scheme is organization rather than a heavy subsidy from the State. Is that your idea of it?—I do not quite understand what you mean by organization.

146. Well, the organization of a scheme, rather than the value of a State contribution to it—the organization of a scheme which all would have to come into in later years, and which would provide annuities?—I see.

147. That is not your view of it?—No.

148. You think that the State subsidy is an important part of it?—I think the State subsidy is an important part of it. I should like to say, in that connection, that on reading the report of the debate on the second reading of the Bill, I understood that the only contribution to be made by the State would be £5,000 during the first year, that the contributions of the teachers were estimated to be between £30,000 and £32,000—that is, if all who might do so came in—and that it would be 1931—twenty-five years after the commencement of the scheme—before the State would have to contribute another penny. That is how I read it—that at the end of a quarter of a century the State would have to pay into the fund £3 per member in order to make the scheme sound.

149. *The Chairman.*] Every year?—After that—after twenty-five years.

150. *Mr. Fowlds.*] That would not be to make the scheme sound; that would simply be to make up the difference between the income and the expenditure of the fund?—Well, what I could not understand was this, that it would take twenty-five years before the income and the expenditure were equal. What the accumulated funds would be at the end of that twenty-five years I do not know. And we