

RAILWAY SUPERANNUATION FUND AND POLICE SUPERANNUATION FUND.

In order to build up a strong reserve for the Railway Superannuation Fund I propose to provide £25,000 per annum in support of that fund. All the funds, as you are aware, have to have the guarantee of the country behind them. The Railway Superannuation Fund does not, however, receive any contribution from the consolidated revenue, and I am of opinion that it should in this respect be placed in a similar position to that of the other branches of the Service.

I am not satisfied with the position of the Police Superannuation Fund. The option was given the members of that service of joining the Public Service Fund, but so far they have not exercised that privilege, and I am of opinion that this should be enforced by legislation, as I do not consider that a separate fund should be allowed to continue. I therefore propose that this fund should be merged, and that a contribution of a sum of £5,000 should be paid into the Public Service Fund upon the members of the Police service joining it.

PUBLIC SERVICE SUPERANNUATION.

I propose to introduce legislation in connection with the superannuation of the public employees of the Dominion. The system has now been upon trial for some time, and as the result of careful investigation I feel that there should be some restriction placed upon the amount of superannuation to be paid in the future. The existing rights of the present beneficiaries must, of course, be upheld, and to enable this to be done I propose that on all salaries of £400 a year and over no alteration shall be made, but those receiving below that salary at present, as well as those who may join the superannuation fund, shall not exceed £250 per annum. If any of those now contributors are not satisfied, all payments made by them, with interest added, will be returned to them; and in such cases they will be called upon to deduct 5 per cent. from their salaries and lodge the same, as was formerly the case, with the Public Trustee. Under this alteration the superannuation system will be a most generous one; but I am strongly of the opinion, to protect the absolute stability of the fund, that a maximum amount of pension must be fixed.

In order to enable the Government to retire officers under conditions that may arise, the House will be asked to amend the Act to allow of this being done in the case of officers who have been thirty years in the service and who are not less than fifty-five years of age. I wish to make it clear that this provision will not give the right to any officer to retire under the conditions named, as there are many cases where good service can be obtained up to the period now provided by Act, but cases have arisen where a great injustice would have been done if men were forced out whose services are no longer required before they had reached the period at which the law as it stands at present entitles them to receive superannuation.

RESULTS OF PROPOSED CHANGES.

It cannot be denied that in the all-important matter of defence, both internal and external, the country cannot be allowed to remain in its present position, and to bring about the necessary improvement must entail additional expenditure, the amount of which I have already indicated. The same remarks will generally apply to the other proposed items of expenditure.

As there must of necessity be a certain amount of doubt as to what the position of the Customs revenue will be at the end of the year, which depends upon the general condition of trade, I feel that it is incumbent, in the best interests of the country, that our financial position should be put upon such a