

*Mr. Bodkin :* You state that the average age at joining is twenty-two years. If there were a proviso that every male had to retire at sixty, and every female at fifty-five, irrespective of the years of service, would that operate as a very great hardship to many men?

*Mr. McIlvride :* If their retiring-pension were actuarially calculated it would be decidedly unjust, and a very great hardship. Perhaps I could give you an illustration. We presented a case similar to this when the Government introduced the thirty-years clause in the Finance Act of 1931. We had men compulsorily retired with thirty years' service. I gave an instance of a man forty-nine years of age, on £265 per annum. If that man had been granted a retiring-allowance of thirty-sixtieths of his wages he would have received £132. His retiring-allowance actuarially calculated amounted to £77. But that is not all. Had that man been allowed to work for the further ten-year period he would have received in that ten years £1,882 by way of wages. If he had gone his ten years his retiring-allowance would have been £176. He lost £1,882 in wages; he lost £100 a year, practically speaking, on his retiring-allowance because he only got £77 as against £176 which he otherwise would have received.

*Mr. McCombs :* I must first of all congratulate Mr. McIlvride upon his very clear and able statement. He interpolated an illustration of a surfaceman who contributed £1,924 and received back £546. What was the rate of the pension he received?

*Mr. McIlvride :* Approximately £3 per week.

*Mr. McCombs :* Very little, you say, more than the right to the old-age pension.

*Mr. McIlvride :* I took the case of a surfaceman to show that we were really paying, by way of contribution into the Fund, a sum which was more than sufficient to grant any retiring-allowance that would be paid. I took the surfaceman's contribution at 5 per cent. of the ordinary rates of pay from 1st April, 1903 to 31st March, 1943,—i.e., forty years, plus compound interest at 5 per cent., with half-yearly rests over the full period. At the close of the forty years the sum amounts to £962 3s. 6d. If the Government had paid in the pound-for-pound subsidy, similarly compounded, there would be another £962, making a total of £1,924 6s. 4d. That man would receive approximately £3 a week. His average expectation of life after he retired was 3½ years, so that he would take out of the Fund approximately £546. Allowing for interest, there again compounded, he would leave the Fund, as I have already stated, almost £1,600 to the good. And when you take into consideration the actuarial calculation and the reductions made in the retiring-allowances of these men, you will find that they have been paying in all along for superannuation amounting to little more than they would have received as of right from the State by way of the old-age pension for themselves and their wives.

*Mr. McCombs :* Can you get anybody to calculate the effect of lifting the £300 maximum limit?

*Mr. McIlvride :* We have not been able to get that so far, and that is why we are asking in our statement that that should be stated, so that we would know the extent of the liability on the Fund if that were lifted.

*Mr. Wilkinson :* Would it be a practical suggestion that the Railway Fund should be controlled entirely by railway men, on a definite contribution by the State? You say in one of your recommendations that if necessary the railway subsidy of £170,000 could be reduced. Could not the railway men manage this business themselves entirely on their own account, with a definite sum from the Railway Board every year, taking it entirely out of the hands of the Government?

*Mr. McIlvride :* That is really the position of the Fund at the moment, with the exception, of course, that the State as employer guarantees any possible deficiency. The State so far has not required to come to the assistance of the Fund to any very great extent.

*Mr. Wilkinson :* You place very definite value upon the Government's guarantee, apparently.

*Mr. McIlvride :* As we say here, what greater security can you have than the security of the State.

*Mr. Wilkinson :* But you are attacking the State all along the line.

*Mr. McIlvride :* Only if the State is prepared on the recommendation of certain individuals to violate the national honour to the detriment of the country.

*Mr. Wilkinson :* It seems a little inconsistent that you should place value upon the State's guarantee, and yet you have such a poor opinion of it at the same time.

*Mr. McIlvride :* But what do you mean by a "poor opinion"?

*Mr. Wilkinson :* The report that you have read attacks the State hammer and tongs for its suggestion of interference.

*Mr. McIlvride :* From this point of view, if you will permit me—provided the State does the things that are proposed in this Bill. If the State does not do that, and if this Committee will give a recommendation that it should not do it, we will say just as nice things about the State then as we are saying nasty things now.

*Mr. Wilkinson :* I should have thought you would have had very little to say for the Government, after condemning it in such measured terms. On page 8 you make the statement that Civil servants are paid lower rates of pay than are those outside the Service. If that is a fact, why is there such a rush for positions in the State service?

*Mr. McIlvride :* Again there is reliance on the guarantee of the State; and the fact that there is a pension for their old age. Let me give you an instance: During the early stages of the war I can say definitely that the respective State Departments would never have held their servants, in view of the law of supply and demand operating outside, if it had not been for the assured pensions that this scheme offered on retirement.

*Mr. Wilkinson :* You really think that young men entering the State service to-day consider that point more than they do the amount of wages they are going to receive?

*Mr. McIlvride :* They certainly consider the point; and if they do not give it mature consideration when they enter the service they are not very long in before they do, because with increasing superannuation rights they very seldom leave.