

Mr. Wilkinson : I am inclined to think you are overstating the case. On page 15 you state that there are no indications regarding reduction of interest. Have you not noticed that there are indications of a big reduction in interest rates all over the world?

Mr. McIlvride : I quoted figures to show that there were no indications of it here. I have figures showing the yearly interest over a number of years, and, practically speaking, they fluctuate between 5 per cent., $5\frac{1}{2}$ per cent., and 6 per cent.

Mr. Wilkinson : It is admitted you have earned that money in the past, but your assumption in regard to the future is what I am questioning.

Mr. McIlvride : Is the Government not issuing any debentures and bonds at the moment at $5\frac{1}{2}$ per cent.?

Mr. Wilkinson : No, 5 per cent. is the rate.

Mr. Veitch : You say, on page 13, third paragraph from the bottom, that employees of the Railway Department contributed to the fund £182,200; and on page 24, again the third paragraph from the bottom, you give £170,000. How do you account for that?

Mr. McIlvride : I made allowance for the £12,200 paid in by the Working Railways Revenue Account to the Widows and Children's Fund. Adding £12,200 on to the £170,000 makes £182,200. I do not know that it should, strictly speaking, be added to the £170,000. You will find it in D.-5.

Mr. Ansell : At the foot of page 10 you refer to those joining before twenty years of age. Do I take it that the position is this: A lad joins at fifteen, and has to go on till he is sixty years of age, which gives him forty-five years of service. He will get a certain retiring-allowance. Another one joins at twenty years of age, and goes on till he is sixty. He is in the Service for forty years. One man pays in for forty-five years, and the other for forty, and yet they receive the same retiring-allowance—is that correct?

Mr. McIlvride : Yes. It means that an injustice will be done there, because at the present time the Act as constituted provides that an apprentice joining at fifteen years of age would have his forty years' service at age 55; he would be able to retire at fifty-five and get his pension of forty-sixtieths. Under the proposed legislation he would be required to work until he is sixty. It means that he works five years longer contributing all the time to the fund, from which he will not get any extra remuneration, and that is one great grievance that we have against the proposed legislation.

Mr. Ansell : Supposing this suggestion must be carried out, how would it appeal to you to suggest that these men should not be allowed to join the fund till they are twenty years of age?

Mr. McIlvride : The condition of employment is that they should join the fund at the commencement of employment.

Mr. Ansell : Would that suggestion not appear equitable, in order to place them on the same basis for the number of years they pay in?

Mr. McIlvride : We think the present arrangement is much more equitable, because after a man, even if he starts at age fifteen, has given that number of years' service, particularly in the Railway Department, he is due for retirement.

Mr. Ansell : The statement has been made to me, not to the Committee, that at the inauguration of the Railway Superannuation Fund scheme the arrangement was made that the salaries should be based for retiring-allowance on the last seven years of service, and that it was then reduced to five years, and then to three years. Is there anything in that statement? I cannot find it. I wondered whether you knew, because you say, on page 7, that it used to be computed on two-thirds of the salary at the time of retirement, and that it was then altered to two-thirds of the salary over the last three years.

Mr. McIlvride : You notice on page 4 the General Manager's circular says, "Being then sixty years of age he would be entitled to retire on superannuation allowance of £65 14s. 7d. per annum for life, being equal to 36-60ths of his annual rate of pay."

Mr. Ansell : That is the first Act?

Mr. McIlvride : Yes.

Mr. Veitch : Might I be allowed to comment regarding the validity of the circular issued by the General Manager. I was employed as an engine-driver when that circular was issued, and I was requested to take it round and explain it to a large number of men in the Service, so that I can definitely assure the Committee of the validity of the circular.

Mr. Ansell : You refer to the rates of pay—page 8—and you make the suggestion that the rates of pay inside the Service are not so great as those outside. Can you give the Committee any details of any particular branch of industry—engineers or anybody else—to show that your statement is correct that the rates of pay inside the Service are less than those outside?

Mr. McIlvride : Not just at the moment, but I have personal experience that that is so. The rates inside fluctuated during the war period, lagging more than usual behind outside rates, but the rate inside has always been recognized as being slightly lower than the rate outside.

Mr. Ansell : We would require that for the qualification of the Government's contribution being in the nature of deferred pay.

Mr. McIlvride : Might I suggest that these figures can be available on application to the Railway Department, and that that will enable you to determine exactly just what the position is.

Mr. W. Nash : On page 3 of the statement you say that the superannuation benefits are recognized as deferred pay to employees of the Railway Department. You contend that that is what they are paid for. They get so-much per week by way of pay and so-much is paid into the Superannuation Fund towards their retiring-allowance?

Mr. McIlvride : That is exactly the position; it is a recognition for services rendered.