

Further liability has been placed on the Fund by the compulsory retirement of members with thirty-five years' service, and the Government has used the Fund for the purpose of facilitating retrenchment, and there again the State must accept its share of the responsibility. (Paragraphs 1424 and 1438.)

The Commission again refers to the State's obligations in paragraph 1430, which states, *inter alia*, "Actually it was the duty of the State to make suitable provision to meet the initial liability cast on the funds . . . ."

The State, however, adopted the plan of postponement, and such postponed liabilities have up to the present been only partly liquidated. The result is that the liabilities for annuities arising from service prior to the initiation of the funds is now being met from current contributions of employees.

In paragraph 1431 it is pointed out that the continued failure to meet the State's obligations has resulted in the rapid growth of the deficiencies, amounting to the extent of £6,810,204 in 1927 in the Railways Fund alone, or a total of £18,117,772 in all funds.

Paragraph 1434 again brings into prominence the State's liability in the following remarkable manner. "It seems clear that the actuarial liability of the Government in respect of the three funds is approximately £23,000,000."

Coming to paragraph 1437, the Commission states, "The very essence of a sound scheme is the accumulation of the sums contributed by the employees for the purpose of meeting the portion of current and future liabilities for which they were intended, and it is largely in this respect that the otherwise satisfactory schemes of the Government have become unsound."

The foregoing paragraphs clearly indicate that there was never any doubt in the minds of the Economy Commission where the responsibility for the present state of the funds lay. An impartial review of the position could not possibly lead to any other conclusion.

I pointed out that the Commission's sole object was the cutting-down of State expenditure, and in spite of the fact that paragraph after paragraph reveals the fact that the State has utterly and completely failed to fulfil its obligations right from the very inauguration of the funds until the present day, culminating in a total actuarial deficit of £9,000,000 in the Railways Fund (or £23,000,000 in all funds), the Commission, and the Bill before the Committee, proposes to repudiate that responsibility, to relieve the State of meeting its just and proven debt to the Superannuation Fund, and to escape its liabilities by further increasing the burden on contributors and annuitants.

The Commission has very definitely expressed in words the failure of the State to fulfil its obligations, and in order that a clearer view of the position may be obtained at a glance I submit the following table showing the contributions (and donations) of members, together with the contributions of the State since 1903, and the excess receipts over expenditure of the Consolidated Fund since 1908.

Year.	Contributions of Members.		Subsidy.		Surplus or Deficit in the Consolidated Fund.
	£	s. d.	£	s. d.	£
1903 .. ..	3,433	5 1	..		..
1904 .. ..	39,788	1 6	..		..
1905 .. ..	43,386	19 6	..		..
1906 .. ..	42,790	3 9	..		..
1907 .. ..	43,933	17 5	..		..
1908 .. ..	45,669	0 9	..		850,024
1909 .. ..	64,934	11 8	..		106,654
1910 .. ..	58,946	16 10	..		247,995
1911 .. ..	60,870	6 3	25,000	0 0	954,167
1912 .. ..	59,454	18 11	25,000	0 0	720,792
1913 .. ..	66,847	12 4	25,000	0 0	652,232
1914 .. ..	71,692	14 7	25,000	0 0	392,397
1915 .. ..	75,034	1 9	50,000	0 0	72,142
1916 .. ..	78,403	3 8	25,000	0 0	2,017,030
1917 .. ..	83,003	7 5	25,000	0 0	4,308,777
1918 .. ..	81,249	15 4	25,000	0 0	5,085,934
1919 .. ..	78,619	17 11	25,000	0 0	3,678,773
1920 .. ..	103,845	17 5	75,000	0 0	2,299,416
1921 .. ..	122,532	5 9	75,000	0 0	6,192,232
1922 .. ..	135,008	15 4	75,000	0 0	339,831*
1923 .. ..	128,941	19 1	75,000	0 0	1,315,683
1924 .. ..	133,153	8 2	125,000	0 0	1,812,365
1925 .. ..	144,777	9 8	105,000	0 0	1,243,800
1926 .. ..	153,902	19 9	170,000	0 0	1,155,679
1927 .. ..	157,784	14 0	170,000	0 0	587,142
1928 .. ..	158,600	15 9	170,000	0 0	179,076
1929 .. ..	166,439	3 3	170,000	0 0	577,252*
1930 .. ..	175,872	3 0	170,000	0 0	148,979
1931 .. ..	170,685	10 10	170,000	0 0	..
1932 .. ..	142,239	3 7	170,000	0 0	..
Totals ..	2,891,842	6 3	1,970,000	0 0	33,961,298 917,083*

\* Deficit.