

*Mr. Stephenson* : It does not wish to make the matter retrospective.

*Mr. Wilkinson* : I want to ask whether in view of the financial situation of the Fund the Railway service would favour the proposal to take over the whole of the superannuation business on a pound-for-pound contribution by the Government. Before you answer that question I would like to quote these figures : The contributors have already paid £2,891,000, and the subsidy has been £1,970,000. There is a credit balance in the funds of £1,434,000 to-day. In view of the financial situation, and also in view of the fact that last year you had a credit of £5,000, would the Railway service favour taking over the Fund itself with a contribution from the Government of £1 for £1.

*Mr. Stephenson* : I would say certainly not under present conditions. The Commission has pointed out that the Government liability is £9,000,000, and it would not be a fair proposition to ask the railway servants to take over the Fund which is, in the words of the Commission, bankrupt.

*Mr. Wilkinson* : You have disputed that statement. You say all along that that is not correct.

*Mr. Stephenson* : Yes ; but if it is proposed to place the funds on an actuarial basis it is also right and proper, if we are asked to administer the funds, that we should be given a fund that is sound. It is not a fair proposition that we should be asked to take over a fund which is, in the words of the Commission, bankrupt.

*Mr. Wilkinson* : In the concluding paragraph of your statement you say that the Commission's report is an indication that the State's management of its superannuation schemes has been a colossal failure.

*Mr. Stephenson* : Exactly.

*Mr. Wilkinson* : Then why do you persist in asking the schemes to be carried on under the management of people who have brought about the failure ? Could you not run the thing better yourselves ?

*Mr. Stephenson* : If the Government had paid its pound-for-pound subsidy in the past, as it should have done, the Fund would have been perfectly sound ; but it is hardly right to ask the railway servants themselves to take over a fund that is bankrupt in view of the fact that the Government has failed to play its part from the very commencement of the Fund.

*Mr. Wilkinson* : You are not prepared to take it over on a Government subsidy of £1 for £1 ?

*Mr. Stephenson* : We will take it over on that basis provided the Government pays its past debt to the Fund.

*Mr. Ansell* : On page 12 you refer to the contributions being increased from 3 per cent. to 5 per cent. in 1908. Why was that contribution increased ?

*Mr. Stephenson* : It was increased by the Amendment Act of 1907.

*Mr. Ansell* : Did that indicate that the contributions were not sufficiently large to keep the Fund sound from the employer's point of view ?

*Mr. Stephenson* : Apparently the Government considered that the 3-per-cent. contribution was not sufficient to keep the Fund going ; and it then increased the contribution to 5 per cent. In spite of the fact that it knew that, it paid nothing into the Fund.

*Mr. Ansell* : To whom did that apply ? The whole of the contributors ?

*Mr. Stephenson* : No, to those members who joined after the 1st January, 1908.

*Mr. Ansell* : Your statement seems to apply to the whole of the contributors. You have not qualified it in any way. You say, "Although the contributions were increased from 3 per cent. to 5 per cent. in 1908, the Government agreed that its previous contracts should remain inviolate." That would indicate that that applied to the whole Service ?

*Mr. Stephenson* : It was not retrospective.

*Mr. Veitch* : It applied to new entrants only ?

*Mr. Stephenson* : Yes, to those who joined after the 1st January, 1908.

*Mr. Ansell* : You make some reference to compulsory retirements and refer to the placing of a heavy burden on the Fund. Have you any knowledge of any recent retirements ?

*Mr. Stephenson* : Yes, during the last year or two.

*Mr. Ansell* : I mean more recent than that. Are there any being forced on the men now ?

*Mr. Stephenson* : Not in my organization, but up to the last three months there have been some. I know of officers in the Department who have been retired later than that on thirty-five years' service, not in my branch, but in other Departments of the Service.

*Mr. W. Nash* : On the thirty-five-sixtieths basis ?

*Mr. Stephenson* : Yes.

*The Chairman* : Is that compulsory ?

*Mr. Stephenson* : Yes.

*Mr. Ansell* : This may not be a fair question to put to you because you are not a member of the Superannuation Board, but has the Superannuation Board any authority to refuse to accept the responsibility for these compulsory retirements and the burden placed on the Fund thereby ?

*Mr. Stephenson* : I do not think so. I think the functions of the Board are purely to administer the Act.

*Mr. Ansell* : Referring to the age of engine-drivers. Up till what age do they remain on the work of driving the "Limited" under present conditions ?

*Mr. Stephenson* : Express-drivers remain on the expresses until they retire, and under the conditions of the work to-day the men want to retire after thirty-five years.

*Mr. Ansell* : Do they drive these expresses when they are sixty years of age ?

*Mr. Stephenson* : No, under present conditions they would only be fifty-five years of age.

*Mr. Ansell* : Is there any prospect of these men, when they are unfit for such strenuous work, being put on to less arduous duties ?