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REPORT.

THE SELECT COMMITTEE appointed to consider and report whether in fixing the present scales of salaries for teachers in grant-aided schools any undertaking by the Government or Parliament was given or implied that the provisions of The Teachers' Superannuation Act, 1918, should not be altered while these scales remained in force, have agreed to the following REPORT :—

I.—PRELIMINARY.

1. Your Committee have held five meetings and have examined 11 witnesses.

II.—SCOTLAND.

2. We have thought it right to hear evidence from Mr. D. M. Cowan, M.P., on behalf of the Scottish Teachers. It is true that the School Teachers' Superannuation Bill, 1922, does not apply to Scotland, but we are assured that the passage of the Bill into Law will affect the superannuation of Scottish Teachers. Moreover, the Departmental Committee which is to be set up to enquire into the whole question of School Teachers' Superannuation will not confine its Inquiry to England and Wales, but will have to consider the position of Scottish School Teachers.

Q. 263.

Appendix E. We print as an Appendix to this Report correspondence relating to the question of Scottish School Teachers' Superannuation, and we hope that the fact that we have taken Evidence on behalf of the Scottish School Teachers and have published these documents may, perhaps, obviate the necessity of the appointment of a second Select Committee to enquire into the question of superannuation as it affects these Teachers.

III.—SUMMARY OF THE TEACHERS' EVIDENCE.

3. We first set out, in paragraphs 4 to 16, the general argument which may be made for the teachers. Their case was presented by Sir James Yoxall, Secretary of the National Union of Teachers, and was supplemented by other Members of the Teachers' Panels upon the Burnham Committees, representing teachers in elementary, secondary and technical schools.

4. That the School Teachers (Superannuation) Bill of 1918 was brought forward not mainly as a benefaction to the teachers, but as a Measure necessitated by national interests in order that there might be proper recruitment to the teaching profession. That though of

undoubted benefit to the teachers it contained some elements of consideration given by them in return for the benefits, in that:—

- (a) Lower ages for retirement were fixed in normal cases than Q. 59.
had been the rule previous to the Bill being passed.
 - (b) The Treasury obtained a higher rate of interest on the funds Q. 206.
transferred to them than was needed in order to provide the pensions for which liability was undertaken.
 - (c) Teachers, particularly in Secondary Schools, were induced to Qs. 282, 353
give up pension schemes which in some cases contained *et seq.*
extremely favourable elements, on the strength of their belief that the non-contributory scheme would be permanent. Though the Bill now before the House provides that compensation shall be given in cases where the previous schemes are more favourable than the position which will arise on the passing of the Bill, this will not cover the actual cases in which, for instance, a teacher dies during service and leaves a widow who would have been provided for under the previous scheme but will not under the Act.
5. That in bringing forward the School Teachers (Superannuation) Bill, 1918, Mr. Fisher not only did not suggest that teachers might be asked to contribute towards the pension fund, but gave most cogent reasons why a contributory scheme was undesirable and impracticable—thus giving the teachers a right to anticipate that the basis of the scheme would not be changed. Q. 81.
 6. That an Act of Parliament setting up a pension scheme is, in its essence and according to all former precedent, an Act which implies permanence so far as the beneficiaries who come within its scope are concerned: That such an Act must be held to imply permanence and, therefore, to be an implied pledge of permanence, Q. 86.
unless the contrary is expressly declared.
 7. That the settlement of the pensions question by the Act of 1918 Qs. 21 *et seq.*,
was thoroughly well known to both panels of the Burnham Committees, 292.
was at times referred to in their discussions, and must be held to have been a material element in the settlement of the scales. That no suggestion that the basis of pension could be altered was at any time made by anyone to the Burnham Committees, and that had it been supposed that a contribution of 5 per cent. of salaries would be called for towards pensions, the teachers claim for salaries would have been greater, and would, probably, in part have been acceded to. Q. 603.
 8. That as in some cases the Burnham scales were less than the Qs. 28 *et seq.*
previously existing scales of Local Authorities, the teachers' representatives on the panels had difficulty in obtaining acceptance for the scales, and repeatedly used, as an argument for acceptance, the fact that the pension question was permanently settled on a non-contributory basis. Qs. 47, 48.
 9. That the existence since April, 1919, of the Burnham scales, side by side with a non-contributory pension scheme has been a material inducement to people to join the teaching profession, and that the inducement and, therefore, the recruitment to the profession would have been sensibly less had it been realised that the pensions were to be made contributory. That in some cases men have been led to refuse offers of positions outside the profession which Q. 358.
would have been accepted had it been believed that the basis of pension could be changed.
 10. That Mr. Fisher, when it was found necessary to make modifications in the Burnham scales, particularly as to the mode on which the old scales would pass over into the new, negotiated these modifications with the teachers and with the Chancellor of the Exchequer, Qs. 28, 32, 33.

in the belief and expectation that while the scales lasted no cut would be made in them as a contribution to pensions, or for any other purpose.

Q. 295. 11. That the Chancellor of the Exchequer, in assenting to the scale of the Board of Education's grant towards Local Authorities' expenditure on salaries, must have had in mind the existing and prospective burdens upon the Exchequer on account of pensions; did not contemplate that these burdens would be relieved by a five per cent. contribution from salaries; and had he thought that he was very soon going to be able to recover five per cent. of what he was agreeing to give, he might not have had to whittle down the scales as he, in fact, did.

Q. 78. 12. That until the Geddes Committee reported no person deriving any authority from the Government had ever suggested to the teachers the possibility of asking them to contribute out of salaries towards their pensions, and that, in fact, such statements as had any Government authority were in a contrary direction, as is shown by leaflets and circulars issued by Government Departments, both before and after the First Report of the Burnham Committee had been presented, drawing attention to the advantages of the teaching profession, and referring specifically to the fact that the Superannuation Act of 1918 provided a scale of allowances and gratuities on Civil Service lines—no contributions being required from teachers.

Q. 37. 13. That if this possibility had occurred to the teachers they would before assenting to the Burnham scales have asked for an assurance from the Minister of Education on behalf of the Government, that the Government had no intention during the continuation of the scales, of taking back five per cent. of the salaries as relief to the Exchequer either on account of pensions or otherwise; and that this assurance would have been given, and would have amounted to a pledge within the meaning of the Committee's terms of reference.

Q. 28. 14. That the facts that the teachers felt so secure of their non-contributory pensions that they at no time raised the question of the possibility of their modification, and that had they done so they would have received official assurances that this step was not contemplated, establishes a definite understanding, tantamount to an implied undertaking, that no contribution from salaries towards pensions would be asked for during the short time for which the scales were to remain current.

Qs. 81-83. 15. That Mr. Fisher has stated on January 26th, 1921, that: "He did not contemplate (subject always to the authority of Parliament) an alteration in the formula for the calculation of the substantive grant," and on February 25th, 1922, that: "The Government will preserve its engagements with the teachers, for that is a matter of public faith." As he has stated also that the Government had no contract with the teachers, but only with the Local Authorities, engagements with the teachers can refer to pensions only. On the assumption, however, that it was not intended to refer to pensions but to salaries, the statements imply that it would be a breach of faith with the teachers, or the Local Authorities, or both, for the Government during the currency of the Burnham scales, either to require the Local Authorities to reduce them so as to reduce their own contribution, or themselves to make a direct reduction of their contribution. It would therefore admittedly be a breach of faith, during the currency of the scales, for the Government to require a surrender to the Exchequer of the public moneys now agreed to be devoted towards salaries. It must, therefore, also be a breach of faith to require such a surrender for the special purpose of pensions, for, assuming the amounts to be equal, the financial effect, both upon the teachers and upon national funds, is precisely the same.

16. That the settlement of pensions by the Act of 1918 and of salaries (for a short period of years) by the Burnham scales are component parts of a single settlement between the State and its teachers, the scales fixing the actual pay, and the pensions the deferred pay. That the scales are accepted by teachers and local authorities alike, subject to all the ordinary changes and chances that may be reasonably anticipated, such as, for instance, variations in taxation or in the cost of living. But just as there is an implied willingness to accept probable and natural modifications, so there is an implied pledge by the Government that no modifications in the position should be introduced by them of so improbable a nature as never to have been thought of; and that it is, therefore, just as much a breach of an implied pledge to reduce salaries, as it would be, without increase of salary, to halve holidays or double hours of work.

IV.—EVIDENCE OF LORD BURNHAM AND REPRESENTATIVES OF LOCAL EDUCATION AUTHORITIES.

17. The Committee had the great advantage, after hearing the teachers' case, of hearing Lord Burnham, who attended by permission of the House of Lords, Mr. F. J. Leslie, who was Secretary of the Local Authorities' Panels on all the Burnham Committees, and Sir Cyril Cobb, K.B.E., M.V.O., M.F., who represented the London Education Authority on the first Burnham Committee.

18. Lord Burnham had no doubt that the recent settlement of the pension question by the Act of 1918, and the absence of any expectation of a change, were essential factors to the problem before his Committees. He considered that a Pension Act contains a definite element of permanence, and that it is contrary to all precedent and, from the point of view of morals, a little shabby to alter a scheme enacted as the 1918 Act was enacted. He held that the fact that during all the negotiations neither by word of mouth nor by letter were the Committees informed that any modification of the pension position was contemplated, did undoubtedly create an understanding, "though I do not say it established a contract." He stated finally that for the State to withhold during the currency of the Burnham scales a proportion of the grant which it had agreed to give to Local Authorities, in order to relieve national burdens for pensions or otherwise partook of the nature of sharp practice. He could not say what would have been the result upon the deliberations or upon the results of his Committees had the instability of the pension settlement been realised during their sittings.

19. Mr. Leslie was able to inform us of how the recent settlement of the pensions question affected the Local Authorities' Panel. "It was," he said, "a constant matter of conversation in the panel that the panel might be rather more strict than otherwise they would have been in meeting the teachers' demands because there was this non-contributory scheme of pensions behind them which they had just quite recently

"got." He thought that some of the key figures of the scale could not have been accepted by the teachers if they had thought that five per cent. was soon to be deducted from them. If there had been any uncertainty as to the pensions position, agreement on certain critical matters would not have been reached, or, at any rate, the Committees would have had infinitely more difficulty. The understanding as to the stability of the pension position while the scales were current was so strong and definite that the Local Authorities' Panel felt that it was an implied pledge.

Q. 608. "We do look upon the facts as constituting a pledge: that the Burnham Committees, in fixing the salary scales, were entitled to rely upon the continuance of the benefits given to teachers by the Superannuation Act."

Q. 682. 20. Sir Cyril Cobb agreed with Mr. Leslie as to the position on the Local Authorities' Panels, making it clear that the unquestioned existence of a non-contributory pension scheme gave force to the Local Authorities' argument for keeping the scales down in certain cardinal discussions. If there had been any doubt the teachers would have asked for more; had they done so, in his opinion, negotiations between the two panels would have broken down. He did not say that any pledge had been given, or that the Government was under any obligation not to change the scheme. In summarising the position as it appeared to him, he made an interesting suggestion as follows:—

Q. 722. "I think that the existence of a non-contributory scheme was one of the conditions of service upon which we were asked by the Government to formulate our scales of salaries, and if any change is made in those conditions, I think the only way to get the thing straight is for the same people who came together in order to make those arrangements with regard to the scales, as based on those conditions, to come together again in order to revise them."

V.—SUMMARY OF MR. FISHER'S EVIDENCE.

21. We now summarise, in paragraphs 22 to 31 the evidence given by Mr Fisher. He laid before the Committee general evidence, and also comments upon particular points in the evidence given on behalf of the teachers on the first day of our sitting. He was also good enough to give his views upon the different points which summarise the teachers' case above. The general effect of his evidence may be given as follows:—

Q. 466. 22. That the point to be decided by the Committee is a narrow one, namely, whether an undertaking was given or implied by the Government or Parliament, and that many of the subjects raised on behalf of the teachers were not really relevant to this.

23. That it is admitted by the teachers that no express undertaking was given by the Government or by Parliament, and that no undertaking was implied by Parliament.

24. That in view of the care with which Government undertakings are drafted, it needs very overwhelming evidence before a Committee

can come to a conclusion that a Government is bound in honour not by something they have said but by something which is supposed to follow by implication from what they said or did.

25. That the Government's actual undertaking in the matter is contained in, and limited to, the material passage of a reply by Mr. Fisher of January 26th, 1921, to a letter from Lord Burnham to him Q. 467. of January 22nd, which is as follows:—

"I do not contemplate, subject always to the authority of Parliament, an alteration in the formula for the calculation of Substantive Grants by which 60 per cent. of the expenditure on teachers' salaries is taken as an element. If on a review of the Committee's allocation of scales, I am satisfied that the allocation is proper and reasonable, I shall be prepared to regard expenditure by a Local Education Authority in accordance with the appropriate scale as expenditure in aid of which Parliamentary grants should be made."

That this undertaking is not a guarantee that Burnham scales shall be paid, but only an undertaking to the Local Education Authorities that where the scales were not exceeded the Government would during their currency provide a certain proportion of the Authorities' expenditure on salaries.

26. That Mr. Fisher's statement on the 25th February of this year that "the Government will preserve its engagement with the teachers, for that is a matter of public faith," though indicating the position of the Government at the time the scales were assented to, and, therefore, germane to the considerations of the Committee, must be read in the same sense as the undertaking in the preceding paragraph. That it related to salaries and not to pensions, and that though it would have prevented the Government from being able honourably to propose to Parliament a reduction from the State Grants to Local Authorities, equal to five per cent. on salaries, for general national purposes, it cannot be read as implying a pledge that no such deduction from grant will be made for the special purpose of helping to relieve the heavy burden of pensions. Qs. 81, 82, 494.

27. That this being the position between the Government and the Local Authorities, the only legitimate question between the Government and the teachers was whether they could be assured that the School Teachers (Superannuation) Act, 1918, would not be altered to their detriment. This question was not asked, and it is impossible to conjecture what answer would have been given had it been asked. No unqualified pledge on the subject could have been given, in view of the embarrassed condition of national finances. The responsibility for not raising the question must rest upon the teachers; and no proper inference can be drawn from the undertaking given by the Board of Education to the Authorities as to the scale of grant, as to what undertaking, if any, would have been given to the teachers as to the continuance of non-contributory pensions. Q. 468.

28. That it is an unsound argument that an undertaking as to salaries involves an undertaking that the pension scheme found to be in existence at the time the salaries are fixed shall not be altered, the historical fact being that the State, after ascertaining what salaries are, decides what it is proper to do with regard to pensions. That, consequently, just as in 1918 salaries were found to be low and pensions were adjusted to the then existing state of affairs, now that salaries are high there is good ground for the further re-adjustment of pension rights. Q. 474.

29. That it cannot be argued that the teachers' position is jeopardised because they have given up the benefits of local schemes and have come under the Act of 1918, even if they are now subjected to a contribution towards pensions of five per cent. of their Qs. 477 *et seq.*

REPORT FROM THE SELECT COMMITTEE ON TEACHERS

salaries. This possibility is expressly guarded against in Clause 3 of the Bill; if it is found not to cover specific cases Mr. Fisher would be willing to consider amendments; and, with regard to the specific points that compensation on an actuarial basis will not cover some actual cases in which previous schemes made generous provisions for widows, it is doubted if any such schemes made any more generous provision than the Act of 1918.

Q. 490. 30. That though, when making statements from time to time as to the attraction which teaching as a profession has by reason of its non-contributory scheme of pensions, Mr. Fisher had no ground for anticipating an early alteration of the Act of 1918—having, in fact, had no such anticipation until the Geddes Committee had reported—he could not be held to be guaranteeing that the non-contributory scheme would last for ever, or for any definite term of years. That the same argument applies to the leaflets and circulars issued by Government Departments pointing out the attractiveness of the profession. These were bound to refer to the position as it was, and gave no guarantee of stability either as to salaries—which have gone up since they were issued—or as to pensions, the basis of which may be changed.

Q. 492. 31. That, in conclusion, “It is not possible to infer an implied “undertaking by the Government that the pension system should “not be altered from the entire *absence* of evidence that any reference was made to a possible alteration of the pension system in “relation to teachers’ salaries. Such an inference would involve the “view that because the Government, in reviewing the Burnham “scales and deciding to pay grant on the expenditure involved by “them, did not say anything about the pension system or warn the “Burnham Committee or the teachers or the Local Education Authorities that the system might be altered, they were responsible for “the belief that the system would not be altered or for the failure “of other parties to contemplate the possibility of its alteration. “The argument would be this: (a) The Government ignored the “contingency of an alteration of the system; (b) they are therefore “responsible for other parties ignoring that contingency; and (c) “they must therefore be regarded as having by implication given an “undertaking that the system should not be altered. There seems “to be a *non sequitur* between (a) and (b), and a still greater *non sequitur* between (b) and (c).”

VI.—CONCLUSIONS.

32. We come now to the view which we have formed upon the questions at issue, and as we desire to narrow down the points in dispute, we deal first with questions which seem to us not to concern the main matter which we have to decide, and with those upon which there is substantial identity of view between the two cases which have been presented to us.

Qs. 485-7. 33. We do not think that Parliament by passing the School Teachers (Superannuation) Act, 1918, pledged itself that it would not at a later date alter the basis of the Act. Though we think that Superannuation Acts of this kind imply permanence in normal cases (an implication emphasised in this case by Mr. Fisher’s arguments in the House of Commons as to the impracticability of a contributory scheme), we agree with him that Parliament has given no pledge of a permanently non-

contributory pension scheme to the teachers. There may have been certain elements of consideration given by the teachers in accepting the Act of 1918 (*see* paragraph 4 above), but we believe that there were none that cannot be adequately dealt with on the lines suggested in Clause 3 of the Bill which the Government have proposed.

34. As there is no other undertaking by Parliament bearing upon the terms of our reference than the Act of 1918, we find that no undertaking was given or implied *by Parliament* that the provisions of the Act should not be altered while the Burnham scales remain in force.

35. We find also that no *express* undertaking was given *by the Government* that the provisions of the Act should not be altered while the Burnham scales remain in force.

36. As to an *implied* undertaking by the Government, we cannot find that any undertaking is implied either by the statements of the Minister of Education drawing attention to the non-contributory scale of pensions as being one of the advantages of the teaching career, or by similar statements in leaflets or circulars issued by Government Departments. It was natural to make and to issue such statements as describing the existing state of affairs. It would have been dishonest to make or to issue them had an early alteration of the position been contemplated—but no such alteration was contemplated at the time these statements were made, and they cannot be held as implying a pledge that no early alteration could honourably be proposed.

37. It is, in fact, quite clear, and common ground to both sides, that no idea of altering the basis of pensions, or of making a deduction from Government grants in order to relieve their burden, had been expressed by anyone before the Geddes Committee reported. The fact that the existing scheme required no contributions from the teachers was perfectly well known to both sides on the Burnham Committees. It was so definitely recognised by all parties concerned that the Act of 1918 was an established fact, material to the fixing of the scales of salary for a short term of years, that it did not occur to the teachers to ask for assurances on the subject, or to Mr. Fisher, who would certainly have warned the Committees of the instability of the Act had he thought it unstable, to issue any such warning. Our conviction of Mr. Fisher's complete straightforwardness in this matter is so definite that we are sure that in the negotiations which passed between him and the Chancellor of the Exchequer the idea of relieving the burden of the agreed contribution towards salaries, in the year after it was agreed to, by a deduction of any kind for any purpose was not entertained. Nor can we believe, knowing his anxiety that the Burnham Committees should reach an agreed conclusion, that if the question of possible change of the basis of pension had been raised at any of his

meetings with the Burnham Committees he would have failed to give an assurance, guarded, no doubt, by a reference to the overriding authority of Parliament, that no change was at that time contemplated by the Government. Any other answer would, as he has stated, have thrown the work of the Burnham Committees into confusion, and defeated his plans for an amicable settlement of the salary question. On this point, as on others, there is a great measure of common agreement. Had the teachers thought that a deduction from salaries could be made for any purpose a year after scales had been arranged with the Authorities, their demand would have been greater. Whether the increased demand would have been met or whether the Committees would have broken down is immaterial. The final result with regard to salaries might have been different from the existing result had any suggestion been made of a deduction from the scale salaries during their currency.

38. Having now considered the effect of the evidence placed before us, and having summarised the arguments presented, we find that no undertaking, either express or implied, was given by the Government or Parliament to the effect that the provisions of the Teachers (Superannuation) Act, 1918, should not be altered while the present scales of salaries remain in force.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 23rd May, 1922.

MEMBERS PRESENT:

Mr. Acland.	Sir Ellis Hume-Williams.
Mr. Rhys Davies.	Sir William Joynson-Hicks.
Mr. Grant.	Mr. Spoor.
Mr. Holman Gregory.	Colonel Stephenson.

MR. ACLAND WAS CALLED TO THE CHAIR.

The Committee deliberated.

[Adjourned until Thursday next.

Thursday, 25th May, 1922.

MEMBERS PRESENT:

MR. ACLAND IN THE CHAIR.

Mr. Rhys Davies.	Sir William Joynson-Hicks.
Mr. Grant.	Mr. Spoor.
Mr. Holman Gregory.	Colonel Stephenson.
Sir Ellis Hume-Williams.	

Sir JAMES YOXALL, Mr. G. H. POWELL, and Mr. C. W. CROOK, representing the National Union of Teachers, were examined.

Mr. R. F. CHOLMELEY, O.B.E., representing the Incorporated Association of Head Masters, was examined.

Mr. D. M. COWAN, a Member of the House, representing the Educational Institute of Scotland, was examined.

[Adjourned until to-morrow.

Friday, 26th May, 1922.

MEMBERS PRESENT:

MR. ACLAND IN THE CHAIR.

Mr. Rhys Davies.	Sir William Joynson-Hicks.
Mr. Grant.	Mr. Spoor.
Mr. Holman Gregory.	Colonel Stephenson.
Sir Ellis Hume-Williams.	

Mr. G. D. DENKERLEY, representing the Incorporated Association of Assistant Masters in Secondary Schools, and Mr. P. ABBOTT, representing the Association of Teachers in Technical Institutions, were examined.

[Adjourned until Monday next.

Monday, 29th May, 1922.

MEMBERS PRESENT:

MR. ACLAND IN THE CHAIR.

Mr. Grant.	Sir William Joynson-Hicks.
Mr. Holman Gregory.	Mr. Spoor.
Sir Ellis Hume-Williams.	Colonel Stephenson.
Colonel Hurst.	

The Right Honourable Viscount BURNHAM, C.H., by permission of the House of Lords, was examined.

The Right Honourable H. A. L. FISHER, President of the Board of Education, was examined.

Mr. F. J. LESLIE and Sir CYRIL COBB, K.B.E., M.V.O., a Member of the House, were examined.

The Committee deliberated.

[Adjourned until to-morrow.]

Tuesday, 30th May, 1922.

MEMBERS PRESENT:

MR. ACLAND IN THE CHAIR.

Mr. Rhys Davies.	Colonel Hurst.
Mr. Grant.	Sir William Joynson-Hicks.
Mr. Holman Gregory.	Mr. Spoor.
Sir Ellis Hume-Williams.	Colonel Stephenson.

The Committee deliberated.

DRAFT REPORT, proposed by the Chairman, brought up, and read the first time as follows:—

THE SELECT COMMITTEE appointed to consider and report whether in fixing the present scales of salaries for teachers in grant-aided schools any undertaking by the Government or Parliament was given or implied that the provisions of The Teachers' (Superannuation) Act, 1918, should not be altered while these scales remained in force; Have agreed to the following REPORT:—

I. PRELIMINARY.

1. Your Committee have held five meetings and have examined 11 witnesses.

II. SCOTLAND.

2. We have thought it right to hear evidence from Mr. D. M. Cowan, M.P., on behalf of the Scottish teachers. It is true that the School Teachers' (Superannuation) Bill, 1922, does not apply to Scotland, but we are assured that the passage of the Bill into Law will affect the superannuation of Scottish teachers. Moreover, the Departmental Committee which is to be set up to inquire into the whole question of school teachers superannuation will not confine its inquiry to England and Wales, but will have to consider the position of Scottish school teachers.

We print as an Appendix to this Report, correspondence relating to the question of Scottish school teachers' superannuation, and we hope that the fact that we have taken evidence on behalf of the Scottish school teachers and have published these documents may, perhaps, obviate the necessity of the appointment of a second Select Committee to inquire into the question of superannuation as it affects these teachers.

III. SUMMARY OF THE TEACHERS' EVIDENCE.

3. We first set out, in paragraphs 4 to 16, the general argument which may be made for the teachers. Not all the points which it contains were in so many words made by the teachers' representatives in their evidence, but we have thought it right to consider the full argument that can be put forward from the teachers' point of view, even though in part it was not specifically brought before us.

4. That the School Teachers' (Superannuation) Bill of 1918 was brought forward not mainly as a benefaction to the teachers, but as a Measure necessitated by national interests in order that there might be proper recruitment to the teaching profession. That though of undoubted benefit to the teachers it contained some elements of consideration given by them in return for the benefits, in that:—

- (a) Lower ages for retirement were fixed in normal cases than had been the rule previous to the Bill being passed.
- (b) The Treasury obtained a higher rate of interest on the funds transferred to them than was needed in order to provide the pensions for which liability was undertaken.
- (c) Teachers, particularly in Secondary Schools, were induced to give up pension schemes which in some cases contained extremely favourable elements, on the strength of their belief that the non-contributory scheme would be permanent. Though the Bill now before the House provides that compensation shall be given in cases where the previous schemes are more favourable than the position which will arise on the passing of the Bill, this will not cover the actual cases in which, for instance, a teacher dies during service and leaves a widow who would have been provided for under the previous scheme, but not under the Act.

5. That in bringing forward the School Teachers' (Superannuation) Bill, 1918, Mr. Fisher not only did not suggest that teachers might be asked to contribute towards the pension fund, but gave most cogent reasons why a contributory scheme was undesirable and impracticable, thus giving the teachers a right to anticipate that the basis of the scheme would not be changed.

6. That an Act of Parliament setting up a pension scheme is in its essence and according to all former precedent an Act which implies permanence so far as the beneficiaries who come within its scope are concerned: that such an Act must be held to imply permanence and therefore to be an implied pledge of permanence unless the contrary is expressly declared.

7. That the settlement of the pensions question by the Act of 1918 was thoroughly well known to both panels of the Burnham Committees, was at times referred to in their discussions, and must be held to have been a material element in the settlement of the scales. That no suggestion that the basis of pension could be altered was at any time made by any one to the Burnham Committees, and that had it been supposed that a contribution of five per cent. of salaries would be called for towards pensions the teachers claim for salaries would have been greater, and would probably in part have been acceded to.

8. That as in some cases the Burnham scales were less than the previously existing scales of Local Authorities, the teachers' representatives on the panels had difficulty in obtaining acceptance for the scales, and repeatedly used as an argument for acceptance the fact that the pension question was permanently settled on a non-contributory basis.

9. That the existence since April, 1919, of the Burnham scales side by side with a non-contributory pension scheme has been a material inducement to people to join the teaching profession, and that the inducement and therefore the recruitment to the profession would have been sensibly less had it been realised that the pensions were to be made contributory. That in some cases men have been led to refuse offers of positions outside the profession which would have been accepted had it been believed that the basis of pension could be changed.

10. That Mr. Fisher, when it was found necessary to make modifications in the Burnham scales, particularly as to the mode on which the old scales would pass over into the new, negotiated these modifications with the

teachers and with the Chancellor of the Exchequer in the belief and expectation that while the scales lasted no cut would be made in them as a contribution to pensions, or for any other purpose.

11. That the Chancellor of the Exchequer in assenting to the scale of the Board of Education's grant towards Local Authorities' expenditure on salaries must have had in mind the existing and prospective burdens upon the Exchequer on account of pensions; did not contemplate that these burdens would be relieved by a five per cent. contribution from salaries; and had he thought that he was very soon going to be able to recover five per cent. of what he was agreeing to give he might not have had to whittle down the scales as he in fact did.

12. That until the Geddes Committee reported no person deriving any authority from the Government had ever suggested to the teachers the possibility of asking them to contribute out of salaries towards their pensions and that, in fact, such statements as had any Government authority were in a contrary direction, as is shown by leaflets and circulars issued by Government Departments, both before and after the First Report of the Burnham Committee had been presented, drawing attention to the advantages of the teaching profession, and referring specifically to the fact that the Superannuation Act of 1918 provided a scale of allowances and gratuities on Civil Service lines—no contributions being required from teachers.

13. That if this possibility had occurred to the teachers they would before assenting to the Burnham scales have asked for an assurance from the Minister of Education on behalf of the Government, that the Government had no intention within a year of the scales coming into operation, of taking back five per cent. of the salaries as relief to the Exchequer either on account of pensions or otherwise; and that this assurance would have been given, and would have amounted to a pledge within the meaning of the Committee's terms of reference.

14. That the facts that the teachers felt so secure of their non-contributory pensions that they at no time raised the question of the possibility of their modification, and that had they done so they would have received official assurances that this step was not contemplated establishes a definite understanding, tantamount to an implied undertaking, that no contribution from salaries towards pensions would be asked for during the short time for which the scales were to remain current.

15. That Mr. Fisher has stated that, "he did not contemplate (subject "always to the authority of Parliament) an alteration in the formula for "the calculation of the substantive grant" and that "the Government will "preserve its engagements with the teachers for that is a matter of public "faith." As he has stated also that the Government had no contract with the teachers, but only with the Local Authorities' engagements with the teachers can refer to pensions only. On the assumption, however, that it was not intended to refer to pensions, but to salaries, the statements imply that it would be a breach of faith with the teachers, or the Local Authorities, or both, for the Government during the currency of the Burnham scales, either to require the Local Authorities to reduce them so as to reduce their own contribution, or themselves to make a direct reduction of their contribution. It would therefore admittedly be a breach of faith, during the currency of the scales, for the Government to require a surrender to the Exchequer of the public moneys now agreed to be devoted towards salaries. It must therefore also be a breach of faith to require such a surrender for the special purpose of pensions, for, assuming the amounts to be equal, the financial effect both upon the teachers and upon national funds is precisely the same.

16. That the settlement of pensions by the Act of 1918 and of salaries (for a short period of years) by the Burnham scales are component parts of a single settlement between the State and its teachers, the scales fixing the actual pay and the pensions the deferred pay. That the scales are accepted by teachers and Local Authorities alike, subject to all the ordinary changes and chances that may be reasonably anticipated, such as, for instance, variations in taxation or in the cost of living. But just as there is an implied willingness to accept probable and natural modifications, so there is an implied pledge by the Government that no modifications in the position should be introduced by them of so improbable a nature as never to have been thought of; and that it is therefore just as much a breach of an implied pledge to reduce salaries, as it would be, without increase of salary, to halve holidays or double hours of work.

IV.—EVIDENCE OF LORD BURNHAM AND REPRESENTATIVES OF LOCAL EDUCATION AUTHORITIES.

17. The Committee had the great advantage, after hearing the teachers' case, of hearing Lord Burnham, who attended by permission of the House of Lords, Mr. F. J. Leslie, who was Secretary of the Local Authorities'

IN GRANT-AIDED SCHOOLS (SUPERANNUATION).

Panels on all the Burnham Committees, and Sir Cyril Cobb, K.B.E., M.V.O., M.P., who represented the London Education Authority on the first Burnham Committee.

18. Lord Burnham had no doubt that the recent settlement of the pension question by the Act of 1918, and the absence of any expectation of a change, were essential factors to the problem before his Committees. He considered that a Pension Act contains a definite element of permanence, and that it is contrary to all precedent and, from the point of view of morals, a little shabby to alter a scheme enacted as the 1918 Act was enacted. He held that the fact that during all the negotiations neither by word of mouth nor by letter were the Committees informed that any modification of the pension position was contemplated did undoubtedly create an understanding, "though I do not say it established a contract." He added, that in his opinion the State in all its dealings with its servants, or with those who are, as in the case of teachers, indirectly under its engagement, ought to apply a high standard of rectitude and honour. "It would be an unfortunate thing if the State were to do things which, in private life, though they might be within the letter of the law, would be looked upon with disfavour and suspicion by the ordinary citizen, and it strikes me that this is a case in point." He stated finally that for the State to withhold during the currency of the Burnham scales a proportion of the grant which it had agreed to give to Local Authorities, in order to relieve national burdens for pensions or otherwise, partook of the nature of sharp practice. He could not say what would have been the result upon the deliberations or upon the results of his Committees had the instability of the pension settlement been realised during their sittings.

19. Mr. Leslie was able to inform us of how the recent settlement of the pension's question affected the Local Authorities' Panel. "It was," he said, "a constant matter of conversation in the panel that the panel might be rather more strict than otherwise they would have been in meeting the teachers' demands, because there was this non-contributory scheme of pensions behind them, which they had just quite recently got." He thought that some of the key figures of the scale could not have been accepted by the teachers if they had thought that five per cent. was soon to be deducted from them. If there had been any uncertainty as to the pension's position, agreement on certain critical matters would not have been reached, or, at any rate, the Committees would have had infinitely more difficulty. The understanding as to the stability of the pension position, while the scales were current, was so strong and definite that the Local Authorities' Panel felt that it was an implied pledge. "We do look upon the facts as constituting a pledge: that the Burnham Committee in fixing the salary scales were entitled to rely upon the continuance of the benefits given to teachers by the Superannuation Act."

20. Sir Cyril Cobb agreed with Mr. Leslie as to the position on the Local Authorities' Panels, making it clear that the unquestioned existence of a non-contributory pension scheme gave force to the Local Authorities' argument for keeping the scales down in certain cardinal discussions. If there had been any doubt, the teachers would have asked for more; had they done so, in his opinion, negotiations between the two panels would have broken down. He did not say that any pledge had been given, or that the Government was under any obligation not to change the scheme. In summarising the position as it appeared to him, he made an interesting suggestion as follows:—"I think that the existence of a non-contributory scheme was one of the conditions of service upon which we were asked by the Government (if that is the correct way of putting it) to formulate our scales of salaries, and if any change is made in those conditions, I think the only way to get the thing straight is for the same people, who came together in order to make those arrangements with regard to the scales, as based on those conditions, to come together again in order to revise them."

V. SUMMARY OF MR. FISHER'S EVIDENCE.

21. We now summarise, in paragraph 22 to 31 the evidence given by Mr. Fisher. He laid before the Committee general evidence, and also comments upon particular points in the evidence given on behalf of the teachers on the first day of our Sitting. He was also good enough to give his views upon the different points which summarise the teachers' case above. The general effect of his evidence may be given as follows:—

22. That the point to be decided by the Committee is a narrow one, namely, whether an undertaking was given or implied by the Government or Parliament, and that many of the subjects raised on behalf of the teachers were not really relevant to this.

23. That it is admitted by the teachers that no express undertaking was given by the Government or by Parliament, and that no undertaking was implied by Parliament.

24. That in view of the care with which Government undertakings are drafted, it needs very overwhelming evidence before a Committee can come to a conclusion that a Government is bound in honour not by something they have said, but by something which is supposed to follow by implication from what they said or did.

25. That the Government's actual undertaking in the matter is contained in, and limited to, the material passage of a reply by Mr. Fisher of 26th January, 1921, to a letter from Lord Burnham to him of 2nd January, which is as follows:—

"I do not contemplate, subject always to the authority of Parliament, an alteration in the formula for the calculation of Substantive Grants by which 60 per cent. of the expenditure on teachers' salaries is taken as an element. If on a review of the Committee's allocation of scales I am satisfied that the allocation is proper and reasonable, I shall be prepared to regard expenditure by a Local Education Authority in accordance with the appropriate scale as expenditure in aid of which Parliamentary Grants should be made."

That this undertaking is not a guarantee that Burnham scales shall be paid, but only an undertaking to the Local Education Authorities that where the scales were not exceeded the Government would during their currency provide a certain proportion of the Authorities' expenditure on salaries.

26. That Mr. Fisher's statement on the 25th February of this year that "the Government will preserve its engagements with the teachers, for that is a matter of public faith," though indicating the position of the Government at the time the scales were assented to, and therefore germane to the considerations of the Committee, must be read in the same sense as the undertaking in the preceding paragraph. That it related to salaries and not to pensions, and that though it would have prevented the Government from being able honourably to propose to Parliament a reduction from the State Grants to Local Authorities equal to five per cent. on salaries for general national purposes, it cannot be read as implying a pledge that no such deduction from grant will be made for the special purpose of helping to relieve the heavy burden of pensions.

27. That this being the position between the Government and the Local Authorities, the only legitimate question between the Government and the teachers was whether they could be assured that the School Teachers' (Superannuation) Act, 1913, would not be altered to their detriment. This question was not asked, and it is impossible to conjecture what answer would have been given had it been asked. No unqualified pledge on the subject could have been given in view of the embarrassed condition of national finances. The responsibility for not raising the question must rest upon the teachers; and no proper inference can be drawn from the undertaking given by the Board of Education to the Authorities as to the scale of grant, as to what undertaking, if any, would have been given to the teachers as to the continuance of non-contributory pensions.

28. That it is an unsound argument that an undertaking as to salaries involves an undertaking that the pension scheme found to be in existence at the time the salaries are fixed shall not be altered, the historical fact being that the State after ascertaining what salaries are, decides what it is proper to do with regard to pensions. That consequently, just as in 1913, salaries were found to be low and pensions were adjusted to the then existing state of affairs, now that salaries are high there is good ground for the further re-adjustment of pension rights.

29. That it cannot be argued that the teachers' position is jeopardised because they have given up the benefits of local schemes and have come under the Act of 1913, even if they are now subjected to a contribution towards pensions of five per cent. of their salaries. This possibility is

expressly guarded against in Clause 3 of the Bill, if it is found not to cover specific cases, Mr. Fisher would be willing to consider amendments; and—with regard to the specific points that compensation on an actuarial basis will not cover some actual cases in which previous schemes made generous provisions for widows—it is doubted if any such schemes made any more generous provision than the Act of 1918.

30. That though, when making statements from time to time as to the attraction which teaching as a profession has by reason of its non-contributory scheme of pensions, Mr. Fisher had no ground for anticipating an early alteration of the Act of 1918—having, in fact, had no such anticipation until the Geddes Committee had reported—he could not be held to be guaranteeing that the non-contributory scheme would last for ever, or for any definite term of years. That the same argument applies to the leaflets and circulars issued by Government Departments pointing out the attractiveness of the profession. These were bound to refer to the position as it was, and gave no guarantee of stability either as to salaries—which have gone up since they were issued—or as to pensions—the basis of which may be changed.

31. That, in conclusion, "it is not possible to infer an implied undertaking by the Government that the pension system should not be altered from the entire absence of evidence that any reference was made to a possible alteration of the pension system in relation to teachers' salaries. Such an inference would involve the view that because the Government, in reviewing the Burnham scales and deciding to pay grant on the expenditure involved by them, did not say anything about the pension system or warn the Burnham Committee or the teachers or the Local Education Authorities that the system might be altered, they were responsible for the belief that the system would not be altered or for the failure of other parties to contemplate the possibility of its alteration. The argument would be this: (a) the Government ignored the contingency of an alteration of the system; (b) they are therefore responsible for other parties ignoring that contingency; and (c) they must therefore be regarded as having by implication given an undertaking that the system should not be altered. There seems to be a non sequitur between (a) and (b), and a still greater non sequitur between (b) and (c)."

VI.—CONCLUSIONS.

32. We come now to the view which we have formed upon the questions at issue, and as we desire to narrow down the points in dispute, we deal first with questions which seem to us not to concern the main matter which we have to decide, and with those upon which there is substantial identity of view between the two cases which have been presented to us.

33. We do not think that Parliament, by passing the School Teachers' (Superannuation) Act, 1918, pledged itself that it would not at a later date alter the basis of the Act. Though we think that Superannuation Acts of this kind imply permanence in normal cases (an implication emphasised in this case by Mr. Fisher's arguments in the House of Commons as to the impracticability of a contributory scheme), we agree with him that Parliament has given no pledge of a permanently non-contributory pension scheme to the teachers. There may have been certain elements of consideration given by the teachers in accepting the Act of 1918 (see paragraph 4 above), but we believe that there were none that cannot be adequately dealt with on the lines suggested in Clause 3 of the Bill which the Government have proposed.

34. As there is no other undertaking by Parliament bearing upon the terms of our reference than the Act of 1918, we find that no undertaking was given or implied by Parliament that the provisions of the Act should not be altered while the Burnham scales remain in force.

35. We find also that no express undertaking was given by the Government that the provisions of the Act should not be altered while the Burnham scales remain in force.

36. As to an implied undertaking by the Government, we cannot find that any undertaking is implied either by the statements of the Minister of Education drawing attention to the non-contributory scale of pensions as being one of the advantages of the teaching career, or by similar statements in leaflets or circulars issued by Government Departments. It was

natural to make and to issue such statements as describing the existing state of affairs. It would have been dishonest to make or to issue them had an early alteration of the position been contemplated—but no such alteration was contemplated at the time these statements were made, and they cannot be held as implying a pledge that no early alteration could honourably be proposed.

37. It is in fact quite clear, and common ground to both sides, that no idea of altering the basis of pensions, or of making a deduction from Government grants in order to relieve their burden, had been expressed by anyone before the Geddes Committee reported. The fact that the existing scheme required no contributions from the teachers was perfectly well known to both sides on the Burnham Committees. It was so definitely recognised by all parties concerned that the Act of 1918 was an established fact, material to the fixing of the scales of salary for a short term of years, that it did not occur to the teachers to ask for assurances on the subject, or to Mr. Fisher, who would certainly have warned the Committees of the instability of the Act had he thought it unstable, to issue any such warning. Our conviction of Mr. Fisher's complete straightforwardness in this matter is so definite that we are sure that in the negotiations which passed between him and the Chancellor of the Exchequer the idea of relieving the burden of the agreed contribution towards salaries, in the year after it was agreed to, by a deduction of any kind for any purpose was not entertained. Nor can we believe, knowing his anxiety that the Burnham Committees should reach an agreed conclusion, that if the question of possible change of the basis of pension had been raised at any of his meetings with the Burnham Committees he would have failed to give an assurance, guarded no doubt by a reference to the overriding authority of Parliament, that no change was at that time contemplated by the Government. Any other answer would, as he has stated, have thrown the work of the Burnham Committees into confusion, and defeated his plans for an amicable settlement of the salary question. On this point, as on others, there is a great measure of common agreement. Had the teachers thought that a deduction from salaries could be made for any purpose a year after scales had been arranged with the authorities, their demand would have been greater. Whether the increased demand would have been met or whether the Committees would have broken down, is immaterial. The final result with regard to salaries might have been different from the existing result had any suggestion been made of a deduction from the scale salaries during their currency.

38. The question which we have to decide is whether the undoubted general understanding of the position, referred to above, combined with Mr. Fisher's statements, already quoted in paragraphs 25 and 26, raised the common understanding to the point, at which it amounts to an implied undertaking by the Government.

39. We are bound to find that an undertaking was implied. In our judgment, the salary settlement by the Burnham scales and the quite recent settlement of the pension question by the Superannuation Act are integral parts of a single settlement between the Government as representing the State and its teachers. It does not seem to us to matter that one side of the settlement was made between the Government and the teachers direct, and the other side between the teachers and the Local Authorities. The salary settlement would not have been reached, or even if reached would not have been assented to by the teachers had the Government not led the teachers to infer that it was inconceivable that, within a few months of settling that side of the general question which referred to actual scales of pay, they would unsettle the other side of it, referring to pensions or deferred pay. Even though the inference is from the Government's silence, it was a fair inference from that silence that the Government undertook, during the short period for

which the scales ran, not to make a cut into them for pension or other purposes. Both sides to the scales agreements—the teachers and the Local Authorities—have been willing, and apparently are still willing, to accept the scales subject to any reasonably foreseeable changes and chances (such as the modifications which have occurred in taxation, or in the cost of living)—particularly in view of the very late date at which many teachers obtained any sensible relief by salary or bonus of the very heavy pressure upon their resources which the war brought about. But when all the elements of the position had been carefully reviewed by the Local Authorities—the admitted underpayment of teachers before the war—the cessation of pressure by teachers upon their Authorities during and after the war—the great delay in reaching a settlement—the probable reductions in cost of living and of taxation; and a settlement had finally been reached, it appears to us to be sharp practice (to use Lord Burnham's phrase), which, in our view, is tantamount to an implied breach of undertaking, for an entirely new and unsuspected element to be introduced by Government when the scales had run only for a year. Had the Government taken the position in this and similar matters that in times of great financial stringency no understanding on a matter involving expense to the nation can amount to an undertaking, our view might have been different. But having regard to the actual undertaking admittedly made by the Government, they seem to us to have estopped themselves from using this argument. Both the Leader of the House of Commons and the Minister of Education have freely admitted that in certain matters they regard public faith as being engaged to the teachers. Mr. Fisher has made it clear that these matters include salaries, not, it is true, by direct commitment from the Government to the teachers, but indirectly by his admitted pledge that the Government will not, while the scales run, diminish their grant on account of salaries to the Local Authorities. We will again quote his words: "The Government will preserve its engagements with the teachers, for that is a matter of public faith." These words admittedly refer to the payments to Local Authorities of money for salaries. It would, in our opinion, be a breach of this pledge were the Government, by a deduction from their grant to Local Authorities, to tax the teachers as such. Yet it is clear that the way in which it is contemplated to collect the teachers' contributions under the Bill now before Parliament is this very way, namely, "by means of deductions made from time to time from any grants payable out of money provided by Parliament." That the deduction is made nominally for pensions is only make-believe. It will not go into any pension fund, for no such fund exists. It will in no way improve the pension scheme. It will merely relieve the Consolidated Fund of a certain part of the payment which the Government has undertaken to make to Local Authorities. And that is in our view precisely what Mr. Fisher has in his statements of January 26th of last year and February 25th of this year undertaken that he will not do.

Question, That the Draft Report proposed by the Chairman be read a second time, paragraph by paragraph, put and agreed to.

Paragraphs 1 and 2, agreed to.

Paragraph 3, amended and agreed to.

Paragraphs 4-12, agreed to.

Paragraph 13, amended and agreed to.

Paragraph 14, agreed to.

Paragraph 15, amended and agreed to.

Paragraphs 16 and 17, agreed to.

Paragraph 18, amended and agreed to.

Paragraphs 19-37, agreed to.

Paragraph 38.

Question put, That Paragraph 38 stand part of the Report.

The Committee divided.

Ayes (3).

Mr. Rhys Davies.
Sir William Joynson-Hicks.
Mr. Spoor.

Noes (4).

Mr. Grant.
Mr. Holman Gregory.
Sir Ellis Hume-Williams.
Colonel Hurst.

Paragraph 39, disagreed to.

New paragraph.

New paragraph brought up and read the first time as follows:—
“Having now considered the effect of the evidence placed before us and having summarised the arguments presented, we find that no undertaking, either express or implied, was given by the Government or Parliament to the effect that the provisions of the Teachers (Superannuation) Act, 1918, should not be altered while the present scales of salaries remain in force.”—(*Sir Ellis Hume-Williams.*)

Motion made and Question put, That the proposed new paragraph be read a second time.

The Committee divided.

Ayes (4).

Mr. Grant.
Mr. Holman Gregory.
Sir Ellis Hume-Williams.
Colonel Hurst.

Noes (3).

Mr. Rhys Davies.
Sir William Joynson-Hicks.
Mr. Spoor.

Amendment proposed to the proposed new paragraph, in line 2, to leave out the word “no” in order to insert the words “though when fixing the present scales of salaries for teachers in grant-aided schools all parties acted in the belief that the Teachers (Superannuation) Act, 1918, providing a non-contributory scheme of pensions for teachers would continue to be effective during the period for which these scales were to remain in force, and though when negotiating and fixing the said scales of salaries all parties were influenced by the provisions of the Teachers (Superannuation) Act, 1918, this does not constitute an”—(*Sir William Joynson-Hicks*)—instead thereof.

Question proposed, That the word “no” stand part of the proposed new paragraph.

Amendment, by leave, withdrawn.

New paragraph inserted in the Report.

Question, That this Report, as amended, be the Report of the Committee to the House, put and agreed to.

Ordered to Report, together with the Minutes of Evidence, and Appendices.

WITNESSES' EXPENSES.

Name of Witness.	Profession or Condition.	From whence Summoned.	Number of Days absent from Home, under Orders of Committee.	Allowance during absence from Home.	Expenses of Journey to London and back.	Total Expenses allowed to Witness.
Frank John Leslie.	Solicitor	Liverpool	1	£ s. d. 3 3 0	£ s. d. 5 5 11	£ s. d. 8 8 11

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HOUSE OF COMMONS.

SELECT COMMITTEE ON TEACHERS IN GRANT-AIDED SCHOOLS (SUPERANNUATION).

Thursday, 25th May, 1922.

MEMBERS PRESENT:

Mr. Acland.
Mr. Rhys Davies.
Mr. Grant.
Mr. Holman Gregory.

Sir Ellis Hume-Williams.
Sir William Joynson-Hicks.
Mr. Spoor.
Colonel Stephenson.

The Right Hon. F. D. ACLAND, IN THE CHAIR.

Sir JAMES YOXALL, called and examined.

Chairman.

1. Sir James, may I say at once how very glad we are to see you here as a very old colleague in the House of Commons, and also as one who from long experience will know the sort of point that is likely to impress the Select Committee, and, conversely, the sort of point which will not. You have been kind enough to submit a proof of evidence; I will ask you to deal with a section of it, and then when you have completed what seems to be a self-contained part of it I will perhaps ask you questions and my colleagues will do the same?—Thank you, Sir. There is a misprint on the front page, due to hasty work of the printer at the last moment. It is in the last line but one of the statement by Mr. Chamberlain on the first page; the word, of course, should be "relevant."

2. Then will you please begin?—I was a Member of Parliament from 1895 to 1918, and in that capacity I took part in and voted upon three Bills which became Acts, in relation to the superannuation of teachers, in 1898, 1912, and 1918, so that I am fully versed with regard to those Acts.

3. Perhaps you will just tell us also your connection with the teaching profession, so that it may be on record?—I was myself a certificated teacher until the year 1892, when I became general secretary of the National Union of Teachers.

4. So you have been in that position for 30 years?—For 30 years. Now, Sir, "Fixing the present Scales of Salaries

for Teachers" began on the 25th July, 1919. That was less than four months after the date on which the School Teachers (Superannuation) Act, 1918, began to operate, namely, on the 1st April, the appointed day. The Act of 1898, in its day, might be accepted or not by the then existing teachers. The Act of 1918 was to be understood as accepted by all who did not formally and expressly intimate that they did not accept the Act. From April 1st, 1919, onwards there was on the part of the vast bulk of the teachers, I will not say a compulsory contract, but a contract, that if they taught in State-aided schools they came under the superannuation system, and at the age of 60 or later, but not later than 65, the age to be settled by the Board of Education, whatever their income at the time might be, they must cease to earn in State-aided schools. That was, I submit, a consideration on the part of the teachers, and a *quid pro quo*.

5. Had the ages been in certain circumstances longer before that Act was passed?—Yes, the age was 65 before that Act was passed.

6. The retiring age was made younger by the Act?—Yes; the minimum age before was 65.

7. Therefore you suggest that, although there was no contribution under the new Act, there was consideration in that it fixed the retiring age?—As low as 60.* "Fixing the present scales of teachers

* See Q. 493.

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Sir JAMES YOYALL.

[Continued]

for salaries"—I am quoting from the reference to the Committee—did not begin at the instance of the teachers, though they concurred in it. The President of the Board of Education had invited representatives of the County Councils Association, the Municipal Corporations Association, the Association of Education Committees and the London County Council, and of the National Union of Teachers to confer with him at the Board of Education. Hardly anything had been done to improve the pecuniary condition of teachers during the war. Mr. Fisher then referred to the conditions of under-pay and under-supply of teachers which existed, and, as on other occasions, to the School Teachers (Superannuation) Act, 1918, as having improved the prospects for teachers.* But he pointed out that the unrest among them and the use of "strike" methods showed the need for agreement between authorities and teachers as to scales of salary. He urged that a Standing Joint Committee should come into existence for that purpose, and offered all assistance which he and his officers at the Board could give during the deliberations of such a Committee.

8. Before we go on to the appointment of the Burnham Committees, I should like to ask you a question or two about the circumstances which surrounded the passing of the Act of 1918. I think you will see that the questions that I shall be putting to you this morning will be calculated to try to make, as I think, the very best of your case, because it is only by getting the very best case on both sides that we shall be able to judge. It has been suggested to me that there were circumstances in connection with the passing of the Act which constituted a bargain beyond that which you have just indicated to us—something in connection with the funds which had been accumulated under previous Acts, and the use which it was agreed should be made of those funds when the new Act was passed. Was there anything of that kind?—No, I do not think that we should plead that. There was in existence a Teachers' Annuity Fund made up of contributions from the teachers under the Act of 1893 and the Act of 1912, and upon that fund as a separate fund, in charge of the National Debt Commissioners, was to be charged annuities to teachers, under the Acts of 1893 and 1912. The Government took over that fund; they also took over

the liability of paying to all teachers at the age of 65 such annuities as were due to them according to their payments to that fund.

9. But this is the point which has been suggested to me—and I should like to know your views about it—first of all: that the question of improving the pension position of teachers had been under consideration for a very long time by departmental committees, and so on, but that it had up till quite a short time before the Act of 1918, always been considered that the scheme should be a contributory one, but that, at rather short notice, and perhaps almost unexpectedly, the Treasury came round to the view that they were willing to have established a non-contributory scheme, and that part of the arrangement which was come to at the same time (I do not know whether it can be argued as consideration) was that the hitherto available funds should be handed over and invested in War Loan, which the Treasury was anxious to secure for national purposes. First of all, is that so; secondly, do you allege it as having any importance or bearing on our inquiry?—With regard to the question whether it is so: you mentioned two points: first of all, the Treasury did definitely abandon the idea of a contributory scheme. The reasons for that were stated by Mr. Fisher in the House of Commons, and you will find them at pages 7 and 8 of my proof. I observe it was said in the House of Commons that the Government Actuary knew nothing of this matter at the time. I think I am right in saying that the Government Actuary did not then exist; but the whole of the actuarial force of the Treasury was put upon this question, and I know from my negotiations before the Bill was brought in, that they definitely abandoned, first of all, the idea of extending that annuity fund, to which I have referred already; secondly, the idea of dealing with the teachers' contributions through insurance companies; and, thirdly, they came to the conclusion that they must make it an absolute system. You will see that the latter part does tell in favour of our case. But I cannot say that anything with regard to the transfer of the teachers' annuity fund tells in favour of my case, because the Government took over the liability.

10. There is only one other point arising out of the pensions, I think, that I

* See Q. 493.

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Sir JAMES YOYALL.

[Continued]

want to ask you about now. This may be more in the line of those who will address us later from the point of view of secondary schools, but I expect you know about it in connection with secondary schools, if not of elementary schools. Is it not a fact that, under the 1918 Act, several schools had local pension schemes of their own based on a contributory footing, and that the masters and governors (I am now thinking of secondary schools) in general agreed to wipe out the existing schemes, largely because of the generous offer of the non-contributory Government scheme, and that in certain cases teachers continued members of the old schemes, although, of course, the contributions of the governors were no longer given to them, and that they kept up in fact their insurance towards pension, at their own expense, and therefore would argue that it is now almost a breach of faith with them to expect them, out of the salary from which they are still paying, to keep up their side of the old schemes, and to pay also 5 per cent. towards the new scheme?—Yes, that argument applies to all those teachers who were under particular school schemes, and it applies to those teachers also who are under particular local schemes in London and other places. The total number of teachers thus affected is 31,000.

11. Teachers of all kinds?—31,000 withdrew from the local school or the borough schemes.

12. Those included teachers in endowed schools, and so on?—Yes, those were teachers of endowed schools and others who came under the Act of 1918, 31,000 altogether. Now with regard to the fixing of scales. I can assure you that the initiative was begun by the Government, and that every assistance which the Government could give in the matter was offered; and a Committee for that purpose did come into existence with Viscount Burnham nominated by the President of the Board, and unanimously accepted by the members of the Committee as its Chairman.

Sir William Joynton-Hicks.

13. Might we have that date?—That began on the 25th July, 1919, and I think the first meeting of that Committee was held after the August holidays. There was a meeting on the 12th August, 1919, and then the first meeting of the Standing Committee was to be held on the 12th September, 1919.

Chairman.

14. These are the pertinent dates, I think. On the 12th August, 1919, at the request of the President of the Board, a conference was held between representatives of the local education authorities on one side and the school teachers on the other, and it was resolved to set up a Standing Joint Committee, and so on; then this Committee met in September, 1919, and presented its first report in November?—Yes. The first meeting was to see whether a formal meeting could be held. Mr. Fisher's speech was made to the first meeting, which was to see whether there was a feeling on the part of the people present that a following meeting to constitute a Committee should be held. Such a meeting was held and the constitution drawn up. The Committee became known as the Burnham Committee, and was the first or earliest of three Committees, the other two dealing with secondary and with technical school teachers' salaries respectively. The meetings of the Committees, their panels and the Sub-Committees, were held, except on three or four occasions, at the Board of Education. If you would not mind looking at the resolution constituting the first Committee, you will see that it was "To secure the orderly and progressive solution of the salary problem." It was to be orderly; it was to try to prevent what I may term strike action by teachers. It was to be progressive, because the need for progress in the remuneration of teachers was generally accepted. The salaries in respect of elementary schools were to be correlated with the solution of the problem in secondary schools. So that from the first the intention was not to deal with one class of salary alone. In the third paragraph you will see that any resolution of the Committee would not be valid unless the consent of both sides or both panels of the Committee were obtained; there were to be no bare majority decisions.

15. Do you argue that the scales as established by consent of both sides on the Burnham Committees were *ipso facto* to be the scales to be adopted by local authorities and those to which the Government should make their contribution in grants, or do you suggest that, however much the two sides of the Committee came to agreement, their agreements would need first, such modifications as the Ministry of Education might wish to apply; and secondly, such modifications as the loca.

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authorities might wish to apply; because I see in this resolution constituting the first Committee, nothing about it being desirable to report for the consideration of the Board of Education or to report for the consideration of the local authorities on scales, etc. It looks here as if it was going to be mandatory, and I want to know to what extent, if at all, you argue that it was intended from the first that these scales, when agreed upon by both sides, should be mandatory on the Ministry or on the local authorities?—The representatives of the local authorities had plenary powers from their associations. They need not report to these associations before they signed the Report of the Committee. The teacher members had not such plenary powers; they were bound to report, first of all, to the Executive of the National Union of Teachers, and then, if the Executive summoned a conference, to that conference; but the local authorities panel had plenary powers in the matter. The attitude of the Board of Education at first was that it was entirely a matter for the local authorities to settle with the teachers and that the Board of Education would pay 60 per cent. or 50 per cent. in a few cases, of such increased salary as the local authority people agreed to pay to the teachers. Later on, when the financial condition of the country became acute, the Board of Education took up a different attitude and intimated that they could not agree to recommendations of the Committee except with very grave modifications, because of the financial position of the country at the time. But to begin with, it was a mandatory thing, there is no doubt about that.

16. What was suggested to me by these words was that it was, at any rate when these words were drafted, contemplated that it should simply be a matter to be arranged between the teachers and the local authorities; although I suppose there was no distinct pledge that the local authorities would conform to the scales so agreed. You indicate that that was then the intention?—Yes, that was then the intention.

17. And the Board of Education had then no feeling that they would probably have to scale down the recommendations?—No. I want to acknowledge that, on the part of the local authorities, their panel and those whom they represented, everything they properly could do to bring about the success of the matter was done. With regard to the first scale, the provisional minimum scale, every

local authority in England had adopted it by the end of September, at the end of nine months. I think there are about 17 per cent. of the local authorities now who have not adopted the standard scales. We regard the local authority panel as having amply carried out their undertakings.

18. When Mr. Fisher said, as I think he did the other day, that it could not be considered that the scales should be binding on the Government, he was saying what was quite true, if you examine the position of the Government after the Reports were made; he was not saying what was understood to be the position at the time the Committees were set up. Would you put it that way?—Yes, I agree with you, Sir, entirely.

19. Otherwise one would have expected to find stated in the Terms of Reference what he said in the House of Commons, that they were merely reporting for the consideration of the Government. It was not stated at the time, and you argue that it was not understood at the time. Is that so?—That is so. It was a condition required by the local education authorities and urged by the Board of Education that during the drawing up of scales (which would take a good many months) and the periods for which the scales when adopted were to run, the National Union of Teachers would not press, or countenance any pressure (that is a euphemism, of course, for instituting strikes), on local authorities which adopted the scales, or equivalent or better scales, for salaries in advance of the Committee's scales.

20. But why should pressure be put upon local authorities which adopted them?—I was going to say: pressure should not be put upon them for salaries in advance of the Committee's scales. It was certainly an implied condition that the fixing of salaries should improve and not in any way disimprove the position of teachers at that time. That was the very purpose of the Committee. Throughout the sittings of the Committees the existence of a non-contributory superannuation system for teachers was present in the minds of the teachers who were members of the Committee. That is the basic fact. They always understood, and they were never notified to the contrary, that if their salaries were to be improved, they were to retain their non-contributory pension system, and their pensions would go with their salaries. I put in a quotation from a memorandum, issued by the Association of Education Committees,

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which contains a casual reference—only intended to be a casual reference—which shows that the same basic conception of the permanent existence of a non-contributory pension scheme was present in the minds of the local authorities' members of the Committees, too. It says: "As regards the teachers, too, it is only fair to recall statements by the Burnham Committees that the existence of the non-contributory pension scheme was borne in mind when the new salary scales were fixed."

Sir William Joynson-Hicks.

21. This was in 1922?—I beg your pardon; this is a memorandum issued on the whole matter in 1922. This was published in April, 1922. May I hand that in? I put in also a quotation from a letter from Lord Burnham, the Chairman of the three Committees, to me, who says, on the 27th April, 1922, that Mr. Leslie assures him that "there can be no doubt that every member of the Committee was fully aware of the scheme" (the pension scheme) "and the benefits it confers upon the teachers," and that "when the first Standing Joint Committee was set up, the Pensions Act had been passed only within the previous few months, and every person actively engaged in educational work knew all about it." Lord Burnham further writes to me: "I think also that you are right in saying that Mr. Fisher referred to it in one of his speeches, although I would not like to testify to this upon oath because my memory is not sufficiently sure on the point."

Chairman.

22. He did, did he?—Yes.

23. You get that later on?—I cannot prove it, because no note or transcript of Mr. Fisher's speeches was taken. Mr. Fisher came to the Burnham Committee and to the preliminary meetings, and he made statements from time to time, as some of his officers did, and the statements sometimes were of a very confidential nature, and no report was taken of them, and I cannot put in a transcript. It is merely a matter of memory and words, and that is my word; and you observe what Lord Burnham says.

24. It is one of those speeches which you refer to, and Lord Burnham says he thinks you are right?—Yes. Then Lord Burnham goes on to say: "You may say for my part that although I do not

recall the fact of the pension scheme being used as an argument in fixing the scales of salary, it is certain that neither panel can have ignored or neglected so important a consideration in forming their opinions upon the questions referred to them." Now, Lord Burnham, of course, had not before him, when he wrote that letter, the transcript of the proceedings of the Committee. Three transcripts were taken by reporters employed by the Board of Education, and transcripts of the notes were circulated by the Board of Education, one for the Board, one for the Authorities' Panel Secretary, one for the Teachers' Panel Secretary; and on page 3 of my proof you will find some extracts from those transcripts. I put them in because they show that not only was the existence of the non-contributory pension scheme immanent in the minds of everybody, but there were specific references to it. I take the one on the 16th April, 1920, because it is characteristic.

25. We can, I think, take them as read, as we have all got them in front of us; but any comment you like to make, would be quite in order?—Thank you. When the standard scales were being drawn up, the first to be considered was the scale for the London County Council area, and there you have Sir Robert Blair representing the London County Council on the Committee, urging that because teachers under the National Act had then become better off in respect of pensions than they were under the London Act, they could accept as salaries in London something less than the Teachers' panel had asked for. We asked that the maximum salary for a fully qualified assistant master in London at the end of a long period of probation and experience should be £450 a year. Sir Robert Blair was arguing in favour of £420 a year, and he puts forward this argument: that since the teachers were better off under the National Superannuation Act than they were under the London Act, they could afford to take £420 a year. You will see I said that they did not get the benefit of the Superannuation Act from the London County Council; and I am informed, since I drew up my proof, that a Member of this House, Sir Cyril Cobb, would like to be called before this Committee to give evidence upon this point. His standing before the Committee would be that he was chief of the London County Council representatives on the Burnham Committee, and Chairman of the London Education Committee,

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and Member of Parliament at the same time. He did, therefore, represent in three capacities authorities concerning this matter. He has in his possession, I understand, written evidence that one of the main arguments for the London County Council representatives refusing the £450 salary asked for by the Union was that teachers had a non-contributory pension scheme. I just mention that. You will notice, further, a remark by Mr. Thomas, a member of the teachers' panel, that the advantage of the London local scheme had gone as compared with other areas, and the Act of 1913 was now a permanent institution all over the country. Again you will notice a speech by myself on the 13th January, in the presence of Mr. Fisher. Mr. Fisher had told us that he could not be sure of getting assent to the date of the improved scales from the 1st April of that year, and he could not be sure about the carry-over. I do not know whether you understand what is meant by a carry-over.

26. Just tell us what it is?—In the case of a teacher shifting from an inferior scale to a superior scale, if it was not for the carry-over arrangement, there would become an immediate jump of a considerable sum, which would put a very heavy load on the local authority in one year. For example, if the increase in the case of a given teacher was £60, the local authority said to us: "We cannot afford to do that in one year," and we agreed to an arrangement whereby it was spread over two years or three years. It might be half to begin with and two quarters; it might be three thirds. Later on, although the Board of Education first of all agreed to the whole in one year, or a half and two quarters, they insisted, as Mr. Fisher was doing here, that it must be in three thirds; and there you will see I refer to the Superannuation Act as having produced a supply of teachers and that now Mr. Fisher was going back on the improvement of the scales and it would have the opposite effect. Now there are some minutes taken from the transcript of the second Committee of which I am a Member. If you need them, Mr. Dunkerley will put them in, and I believe there is a reference to the same thing in the transcript of the Technical School Teachers' Committee, which, if needs be, Mr. Abbott will put in. Now I go to page 4 of my proof.

27. I think it may be argued that these references, although no doubt they may be amplified by other persons, in all the

very detailed work of these Committees, were rather slight. Would you say that that was because people had it so clearly in their minds that it was not necessary to record it or refer to it, or what?—That is my argument, and I really put them in because Sir Robert Horne said in the House of Commons (he was evidently misinformed and he had not seen these transcripts) that there were no references of this kind in the transcripts.

28. Do you agree with me that so far as we have them before us at present, they are rather few?—I agree that they are few, but I have given you the reason why they are few. It was so clearly understood by everybody that there was no need to keep on reminding either one side or the other side of these facts; and some of these you will find are references to an undisputed standing fact. Further, these transcripts contain no word of what went on in the panels of the Committees; they are only transcripts of the formal meetings of the Committees and of the formal statements there. So that those quotations do not by any means represent all the references that were made. At that date a superannuation system for teachers identical in every respect but one, I think—a five years' average of salary instead of a three years', as the basis for computing the pension—with the system for civil servants as remodelled by an Act of 1909, was a standing fact. It was a standing fact during all the deliberations of the three Committees, in 1919, 1920 and 1921. It is a standing fact still. As a solid and very important fact it was basic to the deliberations of the teachers' panels of the Committees. It was in mind at every meeting of the Committees, and in the minds of the teachers meeting separately in panel, when considering proposals and figures of salary suggested by the Local Authority panels. Never during the 1919, 1920 or 1921 meetings did Mr. Fisher, or any officer of the Board present at the meetings, indicate, forecast, or even hint that the Superannuation Act, 1918, would be altered. You are requested to inquire as to whether there was any undertaking. No express undertaking by the Government or Parliament that there should be no alteration was asked for, or necessary therefore, because the pension system was *in esse*—it was the law of the land. It was even *in capite*, so to speak—an actual and legal right held directly from the Crown in Parliament, as given by Royal assent

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to a measure proposed by Government—by the present Government—and enacted by Parliament only 41 months ago. Can it be said that Parliament in December, 1918, intended or anticipated in the least that 41 months later this right, or any part of it, should be withdrawn? Is it not in the very nature of principal Acts concerning pensions that they shall have prospective operation over long prospective periods? Is not that particularly so in the case of absolute State pensions? Have Army, Navy, Civil Service or Old Age Pensions ever been disimproved by Bills to amend the principal Acts? They have been modified in detail, in form of benefit; they have been improved for the *bénéficiaires*, but they have not been made contributory—the undertaking has never, I think, been impaired. I submit, therefore, that there was an undertaking by Parliament, and, indeed, by the present Government, given by the enactment of what was intended to be a permanent method of (1) inducing young persons to qualify as certificated or otherwise Government-recognised teachers, and of (2) superannuating those teachers who rendered continuous and satisfactory service in State-aided schools. Thirdly, there was the other consideration, that preventing them from teaching after the age of 60, and so impairing the work in the schools. I submit that the undertaking was express, and that it was also implied in every contract between a local education authority and a teacher. I have already mentioned the case of withdrawals from London and other local systems and from particular school systems of superannuation. From what is necessarily an exceptional degree of acquaintance with the views and expectations of teachers in this matter, I can affirm and certify that they implied, not only that “the provisions of the Teachers (Superannuation) Act, 1918, should not be altered while those scales remain in force,” but also that improvements in the confessedly inadequate salaries of teachers would not at any date involve a charge on those salaries, in the form of a contribution to the cost of their pensions or of an appropriation in aid. I submit that they had been given the right to imply this, and that nothing done by or in connection with the Burnham Committees withdrew from them the right to imply it. At no time during the discussion and agreeing of the scales, or their submission to the Presi-

dent of the Board, was there any prospect that the pension system would be altered; nor in the interviews with the President on the scales. Sir George Lunn, the leader of the authorities' panel, and myself, saw Mr. Fisher, and saw him particularly at a time when, owing to a certain breakdown in trade and other difficulties, the financial situation was much worse than it is now. In arguing with Sir George Lunn and myself to induce us to influence our panels to accept inferior terms with regard to the date of application and the carry-over than the two panels had agreed to, even at that time, when trade and finance were in that condition, not a word was said to Sir George Lunn and myself as to altering the superannuation system at all. The Scales Reports contained no indication of any contemplation that the pension system would be altered. The conditions the Board did lay down reduced the value of the scales very largely, but contained no word or sign that the value to teachers of the pension system was to be reduced. Nobody ever suggested then that there was any moral obligation or debt of honour on the part of the teachers to pay 1s. in the £ of their salaries, or any contribution of any amount as and because their salaries were being improved.

29. I am rather struck by what you have said as to there being so little mention of the pension schemes in these negotiations about salaries, and that tells to some extent in your favour in so far as there was, as you suggest, no indication that the pensions would be cut down; but it also a little bit tells the other way in that I imagine you cannot refer to any statement by Mr. Fisher or by yourself in which, in arguing with the teachers that they should be willing to accept the scales as modified by the Board of Education, by the carry-over or in other ways, there was any reference to the fact that the Pensions Act was in existence and that of course it would not in any way be interfered with or be made contributory and that therefore the teachers should have that solid advantage in their minds in assenting to some scale, it may be, which was lower than their representatives had urged or than they had been led to expect?—I propose to give evidence upon that point so far as the teachers are concerned. First of all, I say that no intimation was given to us by Mr. Fisher or by the Board

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that any change would be made; certainly I say that, relying upon that fact, never dreaming of anything else, in our negotiations with the teachers who were our constituents, so to speak, we did use the argument of the continued existence of the non-contributory pension scheme as a reason why the teachers should not pitch their hopes and their claims too high.

30. Have you any evidence of that in reports or speeches made by yourself or by other representatives of the teachers?—I refer to two conferences of the union, three in all, but two special conferences of the union, which were private conferences, and private from the Press. We had to keep them private from the Press, because at that time, although we had permission from the other panel to lay the proposals before our members, the Report of the whole Committee had not been fully made known. There are reported brief references to the decisions taken at those conferences, but the long speeches by myself, laying the whole situation before the members in the frankest possible way, were not reported at all. What I say is that at two special conferences for the sole purpose of considering the Scales proposed, the teachers could not have been brought to accept the Scales if they had supposed that the pension system was to be altered.

31. But just to complete my point: you cannot refer us to any statements, say, by Mr. Fisher, or other representatives of the Government, saying practically to the teachers, "You must remember that you have got your non-contributory pensions and there is no chance of those being altered," or anything of that kind?—I can refer to statements made by Mr. Fisher as to the existence of a non-contributory pension system, but I cannot refer to statements saying there is no prospect of that being altered.

32. Can you refer to the argument having been used by him as a justification for the action that he was taking with regard to the carry-over, or on any other pertinent matters, that it should be borne in mind that the pension scheme existed—which, I think, would convey the assumption that it was not going to be altered at all, or at an early date?—Mr. Fisher was very anxious indeed as to the effect of these proposals upon public opinion as to the position of teachers. It was at that point that he again and again referred to the existence of the non-contributory pension scheme.

The very fact that he did argue: "Your claim must be lessened with regard to Scales, because you are already in a favoured position with regard to your pension scheme"—

33. Did he argue that?—He did argue that. Again and again he referred to that when I saw him at the Board of Education. The very fact that he did state that, because of the effect upon public opinion as to teachers, they should be very reasonable in respect of the scales and the carry-over, particularly because they were in a favourable position already with regard to pensions, indicates, I think, indirectly, that there was no idea in his mind at that date to change that system.

34. We do not, of course, in any way dispute or question your statement of what Mr. Fisher said, and no doubt if he comes before this Committee he will readily confirm it; but so far as the point goes, you cannot point to anything stated in public which could be alleged to be something in the nature, if not of a pledge by him, that the pension scheme should remain non-contributory, at any rate, which would be a reference by him to the pension scheme or indicating that, so far as pensions were concerned, the teachers had been put in a thoroughly satisfactory position?—You see, Sir, the Terms of Reference to this Committee are restricted along the line which you are now asking. I am anxious not to regard the Terms of Reference of this Committee as not completely covering our case; but I do say this. We have a right to ask Mr. Fisher to prove that he or any member of the Government at any time during the contemplation or the endorsement of those scales, intimated to us that there would be a change in regard to our pensions.

35. I do not think there is any question in dispute, only of course your case now, that in the absence of any indication that pensions might be made contributory, it must be assumed that it was intended that they should continue as they were, and from that, the argument that it was an implied pledge that they should continue as they were, would be stronger than it is (I quite see the force of it; I am not disputing its force) if you could point to any reference by Mr. Fisher or other members of the Government to the fact of the pension as an element in the salaries settlement?—I submit that the onus of proof is not upon us, but upon the other side. Is

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there any proof whatever that anybody on the Government side ever intimated before the 4th February last, or during the whole process of the negotiations with regard to scales, that there would be a change in respect of pensions?

36. I imagine that Mr. Fisher would say that he had never dreamed of the pensions being cut down until the Geddes Committee suggested it, and nobody else in his senses had ever done it, either?—He does say so, Sir.

37. But he would say that does not constitute the fact that there was any pledge given or implied to that effect?—He said this in the House of Commons on May 16th ("Official Report," Volume 154, No. 62, column 269): "It is quite true when these discussions in the Burnham Committee were proceeding it had not been suggested that the basis of the Act of 1918 should be altered. I do not imagine that in the discussions at the Burnham Committee salary scales were in any way specifically adjusted to pension benefits, for the local authorities, not having to pay these, had very little interest in the matter. I quite concede to the teachers' representatives the point that they would probably have put forward demands for increased salaries had they been informed that any alteration was contemplated in the scale of pensions." The question you put to me is: Did we obtain from Mr. Fisher any definite statement that the pension system would not be altered? My reply is: No, we never thought it necessary to ask for such a thing, and no intimation was ever given to us that there would be an alteration. If we had ever dreamt of such a thing, we would have asked for a guarantee.

38. You would suggest to me, perhaps, that you did not put that point because it had never entered your mind that once a non-contributory scheme had been established it could ever be made contributory?—That is our contention.

39. And that you knew of no case throughout the length and breadth of our public service, or any other public service, in which that had been done?—That is so. We knew very well that an absolute State pension, if it ever had been established, was established, so to speak, for all time.

Colonel Stephenson.

40. What puzzles some of us is that if the recommendations of the Burnham Committee, as modified by the Govern-

ment, have such sanctity, and were intended, in conjunction with the non-contributory pension scheme, to produce certain beneficial results, that is to say, taking the two together, which I understand is your case, that one was an inseparable part of the other, and intended to be more or less mandatory, how it is that so many local authorities do not pay the Burnham scale and the Government take no action to compel them to pay that scale; they pay grants to the local authorities on the basis of the scale that they pay; that is to say, that the local authorities are the employers of the teachers. The teachers are not State servants; they are servants of the local authorities, and the local authorities make their own bargain with them. It is manifest in the case of the authorities which do not pay the full scale that those results, which you say are an integral part one of the other, are not obtained, and yet there it is.—The answer to that is that 83 per cent. of the authorities are paying the scales.

41. We have been told something between 40 and 56 are not paying.—The numbers vary, but I think you may take it that 83 per cent., at any rate, are paying, and of the 17 per cent. that are left a certain number are still on the provisional minimum scale. That protection lapses on the 1st October next.

42. But it is manifest that at the present moment the scheme is not working as an integral part, the one of the other, in its entirety in a number of cases. You say 17 per cent. In the case of 17 per cent. of the authorities the scheme is not working, pensions and salaries, as an integral part of a whole single scheme.—I grant that is so, but some of those 17 per cent. of authorities are still paying on the agreed provisional minimum scale.

43. Then I suggest to you that teachers are not State servants. You used the expression "State pensions," but the teachers are not State servants; they are not civil servants.—They are not civil servants, I agree

44. They are the servants of the local authorities?—But the pension for them is a State pension.

45. Yes, but I was going to suggest to you that one of the objects in setting up this Committee, and in the Government supervising the scales of payment recommended, was because the contributions from the Treasury to the local authorities depended upon the scale, and, of course, they revised the scale. They are con-

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cerned with the financial aspect. They do not force the local authority to adopt a particular scale of pay. That is at the option of the local authority, but they are concerned as to how much the Treasury shall have to find, and, as I understand it, if a local authority wants to pay more than the Burnham scale they refuse to sanction it?—Yes.

45a. Therefore the Government function was restrictive as well as otherwise. They agreed that the position of the teachers should be improved and that they should benefit. They have benefited, but the extent of the benefit they strictly limited, and they refuse to pay grants, as I understand it, where local authorities want to pay outside the Burnham scale; but they agree to pay grants where local authorities pay below the Burnham scale. That is so, is it not?—Yes. It is precisely because of the attitude of the Board of Education that we take the more exception to the claim that there shall be a tax upon the teachers' salaries in respect of pensions. If the Board of Education had said: "We will approve these scales and make them compulsory everywhere, and see that no teacher anywhere gets less than he ought to get under these salary scales, and then, having done that, we will ask you to make a contribution," the circumstances would have been different. But the Government, so to speak, run with the hare and hunt with the hounds.

46. You say that in speeches at conferences, which were not reported, you used this non-contributory pension as an argument to induce the teachers to accept something less than they asked. Many of us have to accept less than we would like. But you do not suggest that that in any sense binds the Government or the House of Commons?—At that date there were several areas where the local authorities were paying, with the assent of the Government, higher salaries than the highest of these scales.

47. That may be so, but the point that you were trying to make, if I understood it, was the fact that you had used these pensions to induce the teachers to accept lower salaries than they desired to accept, because you assumed (it was largely assumption) that the non-contributable pensions were unalterable things. You rather, I thought, tried to lead the Committee to think that, therefore, because you had used that argument, it was the same thing as if the Government used it?—No. The hon. Member, I think, mis-

understands. The Chairman asked me to give evidence that knowledge of the existence of a non-contributory pension scheme affected the decisions upon the amounts and the figures of the scales. I was doing that and saying that I did myself, and other persons, too, use at those meetings the argument: "You have got a non-contributory scheme, and, therefore, you must not pitch your claims for salaries too high." That was an effective argument in producing agreement on the scales.

48. Do you think if it was known that the pensions were going to be contributory it would have made a difference?—I am sure the Conferences would have refused the whole thing. You cannot imagine the difficulty we had to get the Conferences to agree.

49. Yet you mentioned just now that Mr. Fisher pointed out that the teachers were under specially good circumstances, owing to their pensions, and that he was a little bit afraid of public opinion, and that he thought that ought to be taken into consideration?—Yes.

50. You mentioned that rather as indicating that he had no intention of altering the position?—Yes.

51. Do you not think it might equally have been taken as an indication that he was very uneasy in his mind with regard to the position, and that the public might think the teachers were getting too much, both in salaries and pensions?—He was uneasy in his mind about the salaries, but never about the pension, as far as I know; and I conveyed that view of his to these Conferences, and it had very considerable effect.

52. Do you think that the fact that he did not himself take up the idea of putting these pensions on a contributory basis until it was suggested by the Geddes Committee, was any reason why, what Parliament has done in its wisdom or otherwise, one day it may not undo later on when the financial circumstances and conditions have entirely changed, when the cost of living has very much altered, and the circumstances under which things were done in 1918, 1919, 1920 or 1921, when these salaries came into existence, have very much changed? The teachers who have got the Burnham scale are in a very much better position to-day than they were when that scale was decided upon. Of course, the cost of things has gone down materially.

Chairman.] I think, if I may so suggest to my colleague, that that type of question

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would come better at the end, when Sir James has had an opportunity of putting his full case.

Colonel Stephenson.

53. Then there is one other point I want to put. That is the point I put just now: Is there any more reason why Mr. Fisher should not come to the conclusion that he has done than in the case of agriculture, where grants were given and repealed?—Our position is, that the Government entered into an honourable undertaking with us in respect of these scales.

54. That, of course, begs the question?—And during the time of that undertaking not even Parliament can do a thing rightly if it is against the word.

Sir William Joynton-Dicks.

55. In reference to these interviews with Mr. Fisher, you told us, in reply to the Chairman, that Mr. Fisher did on more than one occasion refer to the non-contributory scheme?—Yes.

56. Can you place those interviews at all? Can you carry your mind a little more clearly as to when those interviews were, and how many times? You were seeing him very constantly all through these years, dealing with these scales?—Yes.

57. I gather from you that he did say: "You have got your non-contributory scheme, you must remember"?—Yes.

58. When did he say that? Was anybody else present? It is the crux of the whole matter, I think you will see?—I saw Mr. Fisher frequently, and I saw him in his room at the Board of Education, and generally we were alone together. I cannot give dates of those meetings. Mr. Fisher, Sir George Lunn (the leader of the local authorities' panel), and myself were in his room, and he was endeavouring to persuade us that we must bring our panels to agree to something less than they had hitherto agreed to; and the same thing occurred on that occasion, and I think that was the only occasion on which anybody was present but myself; but the relations between Mr. Fisher and myself have been of the very happiest and the most friendly nature, and we have talked together upon these things in a very friendly way indeed, and it is only when I am asked upon this point that I am bound to say that again and again and again he did refer to the non-contributory pension system as being a

reason why the teachers' representatives should moderate their claims.

59. You say he referred to it again and again and again?—Yes.

60. At many interviews?—"Many," of course, is a large word.

61. At several interviews?—At several interviews.

62. You will forgive me for stressing this, because Mr. Fisher will probably come to give evidence, and I should be very sorry if there were any conflict on the fact between you. Did you make any memorandum or notes of these interviews?—No, they were private interviews, and I did not take any notes of them.

63. Or did you by any chance, after any of them, write to any friend or official saying: "I have had an interview at which Mr. Fisher said so and so"?—No. I reported to my panel and I reported to my executive, and I can, if need be, bring witnesses to prove that I made this statement to the panel and to the executive at the time.

64. You have put in this document,† What is the Association of Education Committees?—The Association of Education Committees is a voluntary organisation of nearly all the Education Committees—I think all the Education Committees in the County Boroughs and Boroughs and other urban districts of England.

65. Representing local authorities?—Yes, and most of the County Councils, too. It is a very important body.

66. In this paper which you have put in, signed by Mr. Frank Leslie, the Secretary, on page 18, it says: "With regard to the teachers, too, it is only fair to recall statements by the Burnham Committees that the existence of a non-contributory pension scheme was borne in mind when the new salary scales were framed." Is that correct?—Certainly.

67. Can you produce statements by the Burnham Committees in support of that view, or is Mr. Leslie coming as a witness?—I suggest you might call Mr. Leslie if you wish him to substantiate that. I put that in as a piece of evidence on the part of the local authorities' panel, to show it was in their minds, as it was in the minds of our panel.

68. But you have the statement, which you adopt yourself, that the Burnham

† "Association of Education Committees Memorandum on the Recommendations relating to Education made by the Committee of National Expenditure, and the decisions of the Government thereon. (Lee and Nightingale, Liverpool, 1922.)"

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Committees made reference to the existence of the non-contributory pension scheme. Now can you produce any evidence that will help us, by any member of the Burnham Committees, as proving that?—I suggest that you call Mr. Leslie.

Chairman.] Do you mean that there is no reference at any rate in their reports? The quotation which my colleague has read rather suggests that the statement by the Burnham Committee would lead one to assume that it was a statement in a report of the Burnham Committees.

Sir William Joynton-Hicks.] It is a statement by the Committees, not by members.

Chairman.

69. At any rate, there are no statements referring to the matter in any reports?—No, and there are no statements on the other side either.

Sir William Joynton-Hicks.

70. You do not suggest that there are any written statements by any Burnham Committees carrying out Mr. Leslie's statement?—No. I put that in in the same sense that I put the letter from Lord Burnham, as being indirect evidence that the existence of the non-contributory pension scheme was in the minds of the Burnham Committee.

71. Lord Burnham, of course, was a member of the Committees?—So was Mr. Leslie; he was secretary of the authorities' panel on all three Committees. He was present at every meeting.

Mr. Holman Gregory.

72. If I might make the remark it obviously must have been so. There was an Act of Parliament providing certain things. It must have been in the minds of everybody who was dealing with the subject; but that is not quite the point we have to consider?—That is our contention, Sir. Mr. Leslie was a member of the authorities' panel of each of the Burnham Committees, and he was secretary to the local authorities' panel and he is therefore exceptionally qualified, I think, to express his experience on his side, on the part of the local authorities, as to this point.

Chairman.

73. Just a technical point: do you attach importance, from your point of view, to his giving evidence in person? The person whom I have warned to come and speak to us from that side is Sir

George Lunn, who would also no doubt have the matter fully in mind?—The only reason why I would suggest Mr. Leslie also, is that Sir George Lunn was absent on a fair number of occasions on account of ill-health. Mr. Leslie was always present.

74. You think it would be important for us to see Mr. Leslie?—Yes.

75. Very well; we shall do so?—If you please.

Sir William Joynton-Hicks.

76. Would you be satisfied with Mr. Leslie as a witness on the education side?—Certainly.

77. And you think he would support the view that it was a fundamental item in the settlement of this case?—I think so. I was dealing with the fact that the suggestion came first of all from the Geddes Committee.

Chairman.

78. We have now got to the Geddes Committee?—They made two recommendations: that a full inquiry should be held with a view to placing the superannuation of teachers on a sound contributory basis under which the teachers and the authorities who employ them would each bear a due proportion of the burden; and then pending such inquiry they recommended that a 5 per cent. levy should be paid by the teachers. That was published in January, 1922. I submit that Committee was not a Committee of Parliament nor of the Government, and none of its findings can be taken as having any statutory or governmental power or as constituting any legal notice of change of contract. Then I have already referred to the fact that I used the existence of the non-contributory pension system at the Conference of Teachers, to induce them to moderate their demands and accept the recommendations of the Committee. I am quite sure, when I told them that if the Union accepted the scales there would be a Government contribution of 60 per cent. in the case of school teachers generally, and 50 per cent. in the case of some others, if I had told them there would be, in addition to that, a contributory pension scheme exacted from them, they would not have accepted the scales. I have put already this point on page 6 of my proof, as to what Mr. Fisher said

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in the House of Commons, and you will find at page 6 a series of quotations from letters from Mr. Fisher to Lord Burnham. From the 24th December, 1920, to the 28th June, 1921, the scales were hanging fire and awaiting consideration and approval and were being modified, and the meeting between Sir George Lunn, Mr. Fisher and myself, to which I have referred, was taking place, and I point out that at the end of that period endorsement was given and not even then was there a word said about any charge upon salaries in respect of pensions. The scales were to come into operation, and grants were to be paid. According to those scales, the teachers' position was to improve; but there was no word concerning pensions.

79. All being dates, of course, prior to the Geddes Report?—Prior to the Geddes Report.

80. And all confirming the simple statement that Mr. Fisher made in the House of Commons that there was nothing at that time which suggested that the basis of the 1918 Act should be altered?—Yes, it supports that. I point out that on the 16th May last Mr. Fisher said: "We insisted upon certain economies being introduced—economies which involved £1,000,000 of money. That is a material fact." That delay from the 24th December to the 28th June was the result of this deliberation, but the proposal with regard to pensions was no result of that delay or of those considerations.

81. I suppose you mean that as the result of consultations with the Chancellor of the Exchequer, with regard to the commencing date and with regard to the carry over in three years in equal instalments, and possibly other matters, the contribution by the Board of Education to the funds of the local authorities was reduced from what it otherwise would have been?—That is so: more than £1,000,000 in respect of that year. I should like, if I may, to put what Mr. Fisher said on the 27th April, 1922, as to the figures of the scales. He said: "First of all, the teachers were greatly underpaid before the war"—and Colonel Stephenson will perhaps note this—"secondly, during the early years of the war they refrained from pressing any claim for increased salaries through patriotic scruples; thirdly, they are generally required to submit to a three years' carry-over before they reach their

correct position on the allocated scale; and, lastly, the scales of salaries will come up for revision in the case of London in 1923, and for the rest of the country in 1925." The teachers' income did not slide up with the cost of living, and we claim that it ought not now to be required to slide down. In several speeches Mr. Fisher's argument has been, not that it is not a hardship to reduce the pension values because the salary values have been increased, but that Parliament has the right to amend its Acts, and that the increase of salaries has been so considerable that Parliament is justified in reducing the value of the teacher's pension by making it contributory. When the Act of 1918 was being discussed on the Second Reading, he said: "Under the new scheme of elementary school finance the local education authority has a direct incentive to be generous in its salaries, because it receives 60 per cent. from the State. The scheme of this Bill is that the pensions are adjusted to the average salary of the last five years of service. I believe it is very much better for the Board to exercise continuous pressure in the direction of raising the salaries, in which case the pensions will follow after, than to begin by fixing a minimum pension." So that at that time he anticipated an increase in salaries and proposed to press for it continuously. Then he referred to the determination of the Government to provide a generous scheme of pensions for teachers in grant-aided schools. He also said that pensions should be adequate pensions if granted at all. Then I put in some very carefully considered and stated arguments by Mr. Fisher in reply to a speech, I think, by Sir Henry Craik, which suggested that the system should be contributory. You will find there stated the argument against a contributory scheme, and I submit that from this, even, teachers had every reason to rely on the continuous existence of a non-contributory scheme; and I point out some words to which attention has been drawn in the House of Commons recently; that by this non-contributory scheme instruction was to be improved, teachers were to be attracted to their calling and, for the first time, the State to give adequate recognition to the teaching profession. Now, Sir, I think that those words ought to be considered as a definite undertaking; at least so we have always felt it. On the faith of them the teachers have since lived and worked. In that faith at least

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20,000 teachers began, continued and completed their training for the work. These people all feel that Bill 113 would violate that faith. Then I put in the facts with regard to the Geddes Committee. Not till the 4th February did anybody ever say to any of us that there would be any change with regard to the pension system. On the 4th February the Prime Minister told me so. Again and again since then there have been references to public faith. Mr. Fisher said, on the 25th February last, at Birmingham: "The Government will preserve its engagements with the teachers, for that is a matter of public faith."

82. What do you understand him to mean by that?—I point out that it is in the plural there—"engagements," and that one engagement was with regard to salaries, and the other was with regard to pensions.

83. With regard to salaries, do you suggest that he meant that the Board of Education would not diminish the proportion in the contribution towards salaries paid by the local authorities?—I should argue that way if it were not for the fact that at Kingston, soon after that time, Mr. Fisher said they had no contract with the teachers in this matter; they had a contract with the local authorities. If "engagements with the teachers" does not include the existing Pension Act, I do not know what it does include.

84. We can ask Mr. Fisher, of course, but, at any rate, the context gives you no clue to what "engagements" he referred to?—That is so.

85. He states that it included the pension, and you assume that he must have meant for a period, at any rate, the Board of Education would not diminish their scale of contribution and their grants?—In respect of salaries, certainly, I include that. Then I put in a leaflet issued by the London Municipal Society and National Union of Ratepayers' Associations, quoting words by Mr. Chamberlain: "There are certain questions of public faith which I think have not been present in the minds of the Geddes Committee; and of that public faith the Government is bound to be the guardian. . . . The Geddes Committee have made recommendations in respect of certain matters with regard to education which this House cannot carry without one of those breaches of public faith of which I have spoken." Sir, what are the due dimensions of public faith?

86. This interests me, for this reason. I can conceive the argument being that although no definite pledge was given that the pension scheme would not be made contributory, or that some contribution from salary towards it would not be required, yet as it was never in the minds of anybody until the Geddes Committee reported, that a contribution could be required, a pledge of that nature was, at any rate, implied: that a pension scheme once set up, is supposed to be, and in other cases has been, inviolable and has gone on, and that, therefore, if this matter were a matter between private persons it would have been a breach of an implied understanding, at any rate, an implied pledge, if you like, when you had had careful negotiation about salaries and had come to an agreement about salaries, thereupon to make a cut in what is very material to salaries, into pensions, by requiring a contribution from salaries, just as it would be, I suggest to you, between private persons considered as a breach of pledge if a person had been paid by his employer on a basis of salary and expenses, or salary and commission, and the person had suggested that the time had come to reconsider his salary, and, therefore, it had been reconsidered and increased, for the employer to turn round at the end of it and to take advantage of the fact that no mention had been made of the expenses or of the commission, because it was assumed that they would remain the same, and cut into them so as to get a little bit back out of the arrangement made about salary?—That seems to be the position.

87. But I have said carefully, I can imagine that view being taken—I am not sure that I should not take it myself—if it was a case purely of bargain between private individuals. But I can also imagine it being held very strongly that a bargain or arrangement between persons more or less in the nature of civil servants, and the State, cannot be regarded as a bargain of that kind, because any financial arrangement made by the Government must always be assumed to be subject to the exigencies of the national financial position; and that therefore, in fact, there can be no pledge really given or implied when the continuance of any national operation involving expenditure is in question; in fact, any arrangement by the Government with regard to expenditure of any kind can never be looked upon as a pledge, because it may always have to be reviewed by the

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Government of the day, who are the only judges, in the light of public necessity. But the view that I have just expressed is not compatible with Mr. Fisher and Mr. Chamberlain saying, as they have apparently suggested in these extracts that you give, that certain matters are matters of public pledge?—That is so: that is our case before the Committee.

38. Then will you agree with me that the argument I have used is a correct one, namely, that no word of a Government with regard to finance can amount to a pledge, because of the always implied consideration and limitation and condition that the national interests may require its modification?—I should say that the argument that public necessity overrides everything, *salus populi suprema lex*, must be examined in relation to each case. Let me put it like this. When the Government of a country like this has directly or indirectly, for certain periods, given a pledge to a class of people, that pledge that has been given must rule during the term of that engagement.

Mr. Grant.

89. May we put it that your argument is based on the fact that there is no precedent for an alteration in the scale of that sort, rather than on the broad public view that the Chairman has put forward?—I think there has been no precedent. I have tried to examine the other cases affected by the Geddes Committee—the Army, the Navy, and the Civil Servants—and I cannot find that their pensions have been altered at all. It is all the other way.

Chairman.

89A. I would put it to you that the Government must be the judges—as long as they remain the Government they can be the only judges of what economies are necessitated by the position of the national finance. On this particular, rather narrow, matter I ask you whether you interpret these references to public faith by these two Ministers as showing clearly that, with regard to certain things involving expenditure, they held—I think quite definitely—that public faith was absolutely pledged?—I think so, yes.

90. Your suggestion would be that as they clearly held that public faith was pledged they would not accept my general

argument, which I have stated only as an argument, namely, that public faith is never pledged in matters of finance, and that as they accept the public faith argument as pledging them in certain cases, the case you are arguing falls within that category?—That is so. It has long been the definite policy of the Government and of the nation that the Government shall be the best possible employer, in the first flight of employers, and we claim they should be on this occasion, too. Our contention is that the existent non-contributory pension system and the approved salary-scales were to be taken together as the agreed teachers' remuneration; that to tax salaries now is to reduce the value of that agreed remuneration. We say that the salaries and pension values should be taken together as the agreed remuneration of the teacher. We submit that Parliament has not yet decided to make the pension system contributory; that the Departmental Committee on the system, which has not yet met, may find that a contributory system is not advisable, and may recommend no change; and that until Parliament decides to change permanently the nature of the Act of 1918, you cannot, with due regard to public honour, approve even a temporary levy from a class of public servants already bearing their assessed shares of taxation as citizens. Nor can you do it reasonably on the ground that by an average salary of about £250 a year in addition to pension expectations they have been made "too well off."

91. Do you suggest that if Parliament decides to change permanently the nature of the Act of 1918 it will, having done so in that way, not be guilty of a breach of pledge?—I accept the omnipotence of Parliament legislatively, and if Parliament should in its wisdom decide to make that change, from that time a contribution will become necessary. But the present proposal is an interim contribution pending such a possible decision by Parliament.

92. You accept the argument I have put to the extent that if Parliament by a fresh Act makes the scheme contributory, you could not charge against them a breach of pledge?—Not against Parliament.

93. And of course that is one of the questions in our Terms of Reference: whether any pledge was made by Parliament. You say that at any rate you could not accuse Parliament of having broken any pledge that Parliament had

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given if they make this scheme contributory by legislation, but you do accuse them of breach of pledge as long as they are doing it by a special temporary Act, which does not make the scheme a contributory one?—What I beg to say with due respect very strongly indeed is that during the currency of these scales I do not think Parliament can honourably propose to pass legislation which would cause a contribution in respect of teachers' pensions.

94. You suggest, therefore, that if legislation is to be passed which would not be regarded by you as a breach of pledge, it would have to come after the expiry of the period of the present scales of salaries?—I think so.

95. And that if it came after the expiry of that time—that is, at one period in London and at another period in the rest of the country—it could not be regarded as a breach of any pledge given or implied by Parliament?—I think so.

96. I press you on this because I think some members of the Committee may regard it as rather a narrow line, that although in your opinion a certain thing would be legitimate, if national necessities require it, if carried out by an Act which definitely changes the basis of the scheme, yet the same thing is illegitimate if done by a special Act requiring a certain contribution from salaries towards the scheme, not amounting to a full-flown scheme on its own?—If Parliament, after having received a Report from the Departmental Committee before whom teachers shall be heard, come to the conclusion that the present pension system should be changed into a contributory system, and if Parliament should so act, then and from that date it seems to me that the position will have to be accepted; but prior to that date I do not think that Parliament can properly assent to Bill 113, or any Bill of the kind. And may I say this. It is a terrible thing, I know, to cast any implication upon what men of standing and goodwill propose to do, but I cannot see how members of the Government who assented to these scales can, during the currency of those scales, propose that Parliament shall in any way, by a temporary or by a permanent Act, take from the teachers a portion of the benefits promised them and assured to them in those scales.

97. I see that point quite clearly, but if at the conclusion of the guarantee of the scales this Government were still in

power, as it may be, and if they were to propose to revive a contributory system of pensions by Act of Parliament, you would not argue that the passing of that Act of Parliament constituted a breach of public faith?—Not in its relation to the Burnham Committees and the scales.

98. Or in relation to pensions?—The Act of 1918 was placed upon the Statute Book to be permanent, and there was no intention of changing it; and in relation to the salary scales and as a matter of reducing the beneficial effect of those scales I contend you cannot make the change.

99. Are there any further points you would like to make in your evidence?—You will notice that this Bill 113 is to raise £2,300,000 of money as an "appropriation-in-aid." It is not to fall into a teachers' contribution fund already in existence, or to be set up. It is an appropriation-in-aid from teachers, and from teachers only. It seems to us to amount to an expropriation; its avowed purpose is to draw from teachers' pay moneys which will relieve the Exchequer correspondingly; it is regarded by teachers, all teachers, and all their representatives on the three Burnham Committees, as proposing a departure from justice, a disregarding of implied contracts, and a breach of public faith. I submit that the answer to the question expressed in the Reference to this Committee should be in the affirmative. There was at least an implied undertaking; just as there was, and is, with civil servants. In 1918 Parliament enacted for teachers the pension system of deferred pay enacted in 1909 for civil servants. The implied undertaking exists with both, with one as much as with the other. But I submit that this statutory undertaking was more than implied. There was next a second undertaking in regard to scales. A non-contributory basis for pensions was a concurrent factor in the agreements of the Board of Education and the Local Authorities with the National Union of Teachers as to scales of salary. It was a concurrent factor in the agreements with the Associations of Secondary and of Technical School Teachers. Tax in respect of one factor after that agreement has been made, and you tax the whole; make teachers pay towards pensions, and you reduce, to that extent, their salary. The figures of the scales were proposed and agreed at a time when there was no idea of the Pension system not remaining non-contributory; when the Government

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had not the least intention of even setting up a Departmental Committee on the system. Teachers do not agree to this special tax. Therefore, unless and until Parliament for good and permanent reasons alters the non-contributory basis of the Act of 1918, any such measure as Bill 113 is in the nature of those "forced benevolences" which the liberties of Parliament abolished centuries ago. I submit that the Scales were prepared, agreed, reduced, and then endorsed by the Government with all parties to them conscious of the Act of 1918 and its bearing on the whole matter. This second Government undertaking was tacit concerning that Act simply because nobody for a moment supposed that the Act would be changed in basis nor therefore required an assurance that it should not be; but, however tacit, the undertaking was indefeasibly implied. You have an Act which, after a date in 1919, teachers must come under. They must, whatever their income, give up earning in State-recognised schools at 60, if so required. This was the consideration. This was their *quid pro quo*.† You have salary-scales and agreements the acceptance of which by teachers debars them from agitating for better pay during the agreed period. Again the *quid pro quo*. The teachers have kept and propose to keep their engagements in these matters. Are the Government, while still the Pension Act is law, unaltered, and *post factum* to their endorsement of the salary scales, to depart from their engagements? Let the House of Commons make any general levy for the Nation's financial needs, and teachers will pay their share. It is to a particular levy on themselves alone that they object. They object as teachers, and they object as free citizens. Sir, we are anxious to regard the Terms of Reference as wholly covering our case, and therefore the question whether Parliament or the Government notified that the scales could only be endorsed if the pension system was made contributory, or if during 1922-23 teachers were made to pay an appropriation-in-aid. If the Government did not so notify prior to Mr. Fisher's endorsing the scales on June 28th, 1921, can it in effect be done now, or could it be done on February 4th even, without narrowing the due dimensions of public faith in the matter? Parliament is legislatively omnipotent, but the greater the power the more careful should be its

scruples, and the more stainless the engagements of its honour.

Mr. Holman Gregory.

100. I am personally much indebted to you for the very able way in which you put the case of the teachers before us, but I should like, if possible, to crystallise your evidence that I may the better understand it. Let me first of all take the submission to us. We have to consider and report whether in fixing the present scale of salaries for teachers in grant-aided schools any undertaking by the Government or Parliament was given or implied—"given" I suppose means "expressly given"—or implied that the provisions of the Teachers' Superannuation Act, 1918, should not be altered while those scales remain in force. Do you suggest there was an express undertaking?—I suggest that the Act of 1918 itself was an express undertaking.

101. An express undertaking to what effect?—That the Teachers' Superannuation Act, 1918, would not be altered.

102. That is not quite the question I asked you, but let me deal with that for a moment. Do you suggest that there is anything exceptional in the Teachers' Superannuation Act of 1918 as an Act of Parliament?—No. I put it the other way. I say it is not exceptional. I say it is in a line with the civil servants' system.

103. Are you suggesting that when an Act of Parliament is passed it can never be modified or repealed?—Oh, no.

104. Then why are you suggesting there was any undertaking when the Teachers' Superannuation Act, 1918, was passed that it should be never modified or repealed?—I simply argue that 41 months ago Parliament had no intention whatever to modify it within 41 months.

105. What we are dealing with is the undertaking, not what Parliament had in mind then. Are you really suggesting that there was anything when this particular Act was passed which made it unusual and rendered it impossible in honour for this Government to modify or repeal it?—I have already said that until Parliament does alter the Act of 1918 we consider there was an express undertaking, and that now exists.

106. Until when?—Until Parliament shall or does alter the Act of 1918 there was an express undertaking.

107. That is quite right. The Act of 1918 remains in force until another Act

† See Q. 493.

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of Parliament is passed, but you are not suggesting there was any undertaking that another Act of Parliament should not be passed?—Oh, no!

Chairman.] Just to avoid any dispute later, I think you did suggest that there is an implied undertaking that the Act should not be modified while the Burnham scales are in force.

Mr. Holman Gregory.

108. That is a subsequent point. I was at the stage first of all, of the passing of the Act of Parliament. Sir James is quite right, of course. At the time of the passing of the Act of Parliament there was no undertaking that it should not be modified or repealed on any future occasion. That is quite clear. That is the Act of Parliament in 1918. Now we come down to the date fixed in the Terms of Reference. We have to consider and report whether in fixing the present scale of salaries—that was in 1920-21, I suppose?—1919-20-21.

109. We have to consider and report whether, in fixing the present scale of salaries in 1919-20-21, any express undertaking was given by the Government or Parliament that the Act of Parliament should not be altered. Are you suggesting there was an express undertaking?—No. I say the undertaking was implied.

110. There was no express undertaking. You say it was implied. Would you, in a few words, say when it was implied, and how?—It was implied during the whole of the period of negotiations, because nowhere, at any date, by any person representing the Government or Parliament, was there any intimation to us that the Act of Parliament would be changed.

111. Supposing it was not in their minds at that time?—If it was not in their minds at the time of the endorsement of the agreement it could not come in later.

112. Not if public necessity demands it?—No.

113. That is your view. Let me put another point to you. As I understand your suggestion it is this. There was an Act of Parliament in existence which provided for a non-contributory basis of pensions. That must have been in the minds of the parties at the time when the scales were assented to?—The existence of the Act was in the minds of the parties.

114. We might accept that. It must have been. It was an Act of Parliament, and everybody is supposed to know the law. It must have been in the minds of the parties, because it is one of the outstanding elements; there is no doubt about that?—Yes.

115. Your suggestion is, if it is in the minds of the parties and nothing is said, that constitutes an undertaking that Parliament shall not alter it?—When one of the parties to negotiations is President of the Board of Education, who tells us that he speaks with the authority of the Chancellor of the Exchequer and gives his endorsement with the authority of the Chancellor of the Exchequer.

116. Let us see what Mr. Fisher's position was. As I understand it, the teachers are paid by the Local Authorities?—Yes.

117. And the teachers in 1918 were, in their view—and in mine too if I may respectfully say so—much underpaid, and they were agitating for a rise in their salaries?—Yes.

118. Was not the position that the Board of Education said, if you can agree amongst yourselves as to what should be a fair salary for the teachers we will assent to it?—Yes.

119. That was the position, was it not?—Yes.

120. As a matter of fact representatives of the school authorities and of the school teachers met together, agreed a scale of salaries, and Mr. Fisher, acting for the Education Department, assents to it?—Yes.

121. That was what passed, was it not?—Yes.

122. Throughout these negotiations at the time of the assent nothing was mentioned with regard to superannuation?—Yes. May I say that along comes the Board of Education and says, because we have agreed to these scales and we have to pay so much in grants to the local authorities in respect of these scales we must really ask you to pay something to us in respect of your pensions.

123. Just as a matter of interest, at the time you were negotiating the Income Tax was 6s. in the £?—Yes.

124. I suppose that was a consideration in arriving at the amount of the salary of the teacher?—Yes.

125. Supposing the necessities of the country demanded that the Income Tax should be raised to 10s. in the £, do you say because of what had taken place

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between you and the Government the Government could not bring in a Bill to raise the Income Tax to 10s. in the £?—I say the Government have a right to demand 10s. in the £ from teachers as from anybody else.

126. It was in the minds of the teachers at the time the salary was fixed that it would be 6s. in the £?—Yes.

127. Exactly the same as with your pensions. What is the difference between the illustration I was putting of Income Tax and pensions?—In the first place, an Income Tax is a payment in respect of private profits. The pensions are a deferred payment in respect of a public service.

128. You are drawing a distinction between the two things. Seeing that the incidence of the payment of Income Tax, the right of the Government to increase the Income Tax from 6s. to 10s. in the particular circumstances applies to school teachers, what is the difference in principle?—I am afraid I do not see the point of the question.

129. I am sorry if I have not put it quite clearly to you. What I am suggesting is this. It was in the minds of both parties when the Burnham Scales were fixed that the Income Tax would be 6s. in the £, and it was not anticipated it would be higher, was it?—No.

130. Do you suggest there was an undertaking given at that time that the Government would not bring in an Act of Parliament to raise the Income Tax, say, to 10s. in the £?—No, I do not suggest that, and never argued that in the least. I regard Income Tax as extraneous to the whole question.

131. Then, if it has not to apply to Income Tax, why should it apply to this non-contributory scheme of pensions, if it happens to be in their minds that at that time there was a non-contributory pension scheme, and that they acted upon it. Do you follow me? What constitutes an undertaking either by the Department or by Parliament that there should be no alteration pending the existence of the scales?—A teacher who retires to-morrow under the Pension Act retires under the Act of 1918, which stands, and stood all through the negotiations. Variations in the Income Tax do not depend upon Acts of Parliament; they are dependent upon the Budget each year and the Estimates for that year.

132. I assent to that. Do not think I am against you, if I may say so,

upon the merits of your case generally, but what I am dealing with is the suggestion that there was a breach of an undertaking. That is what I am dealing with for the moment. That is a suggestion, and that I understand we have to clear up. Was an undertaking given, either expressed or by implication, and has it been broken, or is it going to be broken? All I am seeking to do is to ascertain what is in your mind to found the undertaking.—Thank you. I am quite sure that all I desire, too, is to get out the facts, and not to deal with this thing in any forensic manner—which I have not the right to do; I am not a lawyer. May I further say this. We say that the existence of the Act of 1918 was throughout all the period of the negotiations an express undertaking; we do not put it higher than that. That express undertaking may be regarded to have closed with that period of negotiations which settled the currency of the terms of the scale. We say that there was an implied undertaking on the part of the Government, because at no time during the negotiations in getting the consent of the Government to pay more money in salaries was it made a condition that some part of that money should go towards the cost of pensions.

133. I follow. That is how you put your case?

Chairman.

134. I think it will save time in the end if I put this to you now with regard to the analogy which Mr. Holman Gregory has raised about the Income Tax. Possibly the reply which you have in mind may be this: That whereas fluctuations in the Income Tax generally in an upward direction must be taken as among the common evils of human life from year to year, yet a pensions scheme of a non-contributory nature is first of all a thing which within your knowledge has never been altered, and, secondly, a thing which in its essence is so difficult to alter, and, thirdly, a thing, the possibility of the alteration of which had never been considered or thought of until the Geddes Committee reported, that it is not quite on the same basis as the possibility of a modification of Income Tax?—Thank you. That does express the difference, in my mind.

Mr. Holman Gregory.] I assent to that absolutely. There is no question about that. The only thing is whether, in the

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circumstances, failure to say so amounts to an undertaking.

Sir William Joynton-Hicks.

135. May I put this to you in regard to the Income Tax point. While you are prepared to submit to any alteration of Income Tax in common with lawyers and others, if the Government were to say to-day, these teachers are now over-paid, and we will clap on them a special Income Tax of 5 per cent., that would be a breach of faith?—That is entirely our case.

136. Do you suggest that this taxation of 5 per cent. on your salaries is in effect a taxation in relief of the general exchequer of the country, and is not really a contributory scheme at all?—Yes. I refer to the terms of Bill 113, which speaks of it as an appropriation-in-aid, and indicates that any surplus is to go into the Exchequer.

137. It is not in effect the setting up of a contributory scheme at all?—Not at all.

138. Supposing Parliament were to carry this scheme in Bill 113, you would regard it as such a breach of the Burnham Scale that it would authorise the teachers to denounce the Burnham Agreement and start afresh?—Well, you see, the Burnham Agreement was between three parties—the local education authorities, the teachers, and the Government. So long as the local education authorities, parties to that Agreement, maintained the Agreement, any action by the Government outside the Agreement entirely would not be looked upon by the teachers as a breach by the local educational authorities.

139. You would carry it out with them?—We should carry it out with the local education authorities.

140. Would you agree with this statement—I must not tell you what I am quoting from. "The very essence of the Burnham Scheme was that over a short period of years the salaries should be stabilised, whatever might happen, and whatever the conditions might be during that period, and if they were not stabilised, the Burnham Committee failed in its essential object. It is an inherent feature of any scheme of stabilisation that it is uncertain owing to possible change of circumstances to which party it will operate most favourably, but none the less the parties are bound by it."—Yes, I accept that entirely.

141. Now in regard to the implied undertaking. I dealt with that a little time ago, but might I ask you whether you were at all conversant with the debates in Parliament in 1918, and particularly with Mr. Fisher's speech?—Yes.

142. Would you say, as an old Parliamentarian, that Mr. Fisher's speech on behalf of the Government in 1918 proved conclusively the impossibility and undesirability of a contributory scheme?—Yes. It is a most able statement of the objections and the great difficulties.

143. Having that statement from the official head of the Government Department dealing with this Bill, did you in your mind conceive it practically impossible after that speech that the Government should bring in a contributory scheme?—Yes.

144. One point as a matter of personal interest I should like to know. When you saw the Prime Minister on February 4th of this year, and he told you he was going to carry out the Geddes proposals, what did you say to him then?—My colleagues will agree with me when I say we very wisely made no statement on the spot whatever. We thanked him for receiving us and asked by what channel he would prefer to receive our reply, and shook hands and went away, and sent the reply three days later by post.

145. Have we got that reply?—No. I can tell you the effect of it. I will have it supplied to you.

146. You could let us have it?—I will get it for you for a subsequent meeting.† I cannot obtain it now.

147. May I refer you to a letter you wrote on the 5th February, 1920—I do not know to whom it was addressed. This was during the negotiations of the Burnham Scheme. "We want as much as anybody can possibly want, anybody here or anybody else can want, to set up a scale of remuneration for teachers in this country which together with the pension scheme already obtained by the teachers shall represent what a fully-qualified teacher may fairly anticipate and regard as being proper remuneration for a teacher."—From whom do you say that was?

148. From you.—I did not recognise the language. I am very glad to hear it. It entirely bears out what I was putting before the Committee.

149. I thought it might help you.—Thank you.

† See Appendix I.

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Mr. Rhys Davies.

150. I would like to put one or two questions with regard to the non-contributory scheme. That, I take it, was regarded, by some people at any rate, as a sort of privilege to the teachers. Were there any other privileges enjoyed by the teachers which were borne in mind when you were negotiating for the Burnham scales, but which were not mentioned at all in the negotiations?—No, I do not think so.

151. Is it your experience that in negotiating wages conditions it is customary not to mention things that are obvious, gains that have already been achieved, taking for granted that those will remain after securing the objects you are aiming at?—That is the usual form of negotiation?—That is my experience. You do not mention those things, because you want to save time and avoid debate.

152. Were there any negotiations at all between the teachers and the Government in connection with the non-contributory scheme in 1918?—Oh, yes, in 1918, before the Bill was brought in.

153. You were consulted?—Oh, yes, I was frequently at the Board of Education upon the matter, and I knew the history of the whole matter. The first intention was to adopt a Bill on the lines of the United Universities scheme, whereby the employer and employed both contribute through insurance companies. That was finally abandoned upon representation by the Treasury that it would cost less to make an absolute State pension scheme than to do it that way.

154. To come to another point, you do not, of course, deny the power or the right of Parliament to alter any contract they may have been entered into, but do I understand you to agree to this principle: that, although you grant the right of Parliament to alter a contract, it would still be a broken pledge if Parliament did alter that contract?—Yes, that is our position.

155. There are four scales in the Burnham recommendation. In administering those scales local authorities must secure the sanction of the Board of Education?—Yes.

156. And in that connection the Board of Education is an overriding employer?—Yes.

157. Has it ever been brought to your notice that when a local authority is appealed to by the teachers to put, say, scale 4 into operation, the local authority

has turned round and pointed to the fact that there is a non-contributory pension scheme in operation, and in consequence they will only put scale 3 into operation? Have you had cases like that?—Not on the part of a local authority. If you take the case of Southampton, where a dispute is now going on, members of the local authority in speeches, and the local newspapers in their articles, have cited the non-contributory pension system of the teachers as a benefit, but I could not answer your question in the affirmative with regard to the local authority itself.

158. Is this the only instance where the teachers in connection with any conditions of service have not been consulted either by the Government or the local authorities?—You mean with regard to Bill 113?

159. Yes. I will put my question in another way. Has the Government at any time proposed to Parliament an alteration in the conditions of service or the salaries of teachers without consultation with the teachers?—Not of recent years.

Chairman.

160. Would it be fair to say that this was put forward altogether without consultation, not with the whole body of teachers, but with persons such as yourself?—No. The Prime Minister was so good as to send for us, and one of the intentions he then declared was that this 5 per cent. levy in respect of pensions should be made. To that extent there was notice given.

Mr. Rhys Davies.

161. But there were no negotiations?—No.

Chairman.

162. I suppose it took the form of asking whether you would be inclined to consent to this or that?—The statement was that the Government would make this 5 per cent. levy. There were other points suggested which were not so definite.

163. Nothing occurred which could be called consultation with regard to this matter, although other matters were suggested, I take it, when your reply was given, but they were not pressed, and so on?—I do not know how far I can refer to what took place at Downing Street on that occasion.

164. I only wanted to guard the Government against a charge which I do not think you intend to make, namely,

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that there was no contact or communication, or even what might be called to some extent consultation on the general matter?—No, it would be fair to say that in respect of this 5 per cent. contribution, between the date of the publication of the Geddes Committee's Report in January and the meeting with the Prime Minister on the 4th February, the matter was referred to in conversation with me at the Board of Education.

Mr. Spoor.

165. I think that most of the ground has been covered by the questions already asked by other members of the Committee, but there is just one point. I would like to have a little more light on. Am I right in assuming that your chief objection is to the interim character of this proposal, that is, the proposal to take off this 5 per cent. without first of all an adequate return? Is that your principal objection?—It is principally, in this sense. If we are driven to consider the matter narrowly by the Terms of Reference, we are bound to acknowledge that such undertaking as was given or implied had reference to the duration of these scales alone; but if it were not for the narrow Terms of Reference, if I may without offence say so, our objection is to any alteration of the Act of 1913 at all at any period.

166. But if it were clearly demonstrated that the financial situation has so materially changed that some immediate economy must be effected, would there be the same opposition to that economy if it was effected as the result of an inquiry by a competent Committee, and by recommendation of that Committee to Parliament? There would not be the same opposition that there has been to the Bill that has been recently introduced, would there?—Certainly not. One of our chief points of objection is legislating before taking evidence. Our objection is to verdict before evidence.

167. There is only one other question I wish to ask you. I do not know whether the Chairman will allow it. It is on the practical side of this business. My question is this: What in your opinion would be the effect, so far as recruitment of the teaching profession is concerned, if this proposal is actually carried out? I do not know at present what your figures are for recruitment, but I understand there have been difficulties with regard to that?—Under the

Act of 1913 and the Burnham scales the recruitment has been increasing, and was taking a favourable attitude. Now I am afraid it will go the other way, and if Bill 113 be enacted and this contribution is levied it will deter people from putting their children to this profession. There are already at least 20,000 fewer teachers in the public elementary schools than there ought to be; the Board of Education acknowledge that.†

168. Are they principally male teachers?—Oh, no.

Chairman.

169. I think it is an argument that would be more in order on the Bill, but I think we may allow the statement that it is at any rate Sir James Yoxall's view that it will deter recruitment?—It does particularly deter the male entrants, there is no doubt.

Colonel Stephenson.

170. I should like to ask Sir James whether it has occurred to him that if, as he suggests, the operation of any Bill of this sort were delayed until the expiry of the period for which the Burnham scale operates, the alterations which would then be suggested or be proposed to the House would be very much more drastic than the alteration in the pension scheme now proposed, because there is a loss of money going on the whole time which would be added; and whether he does not think that, apart from any question of undertaking, it would be to the advantage of the teachers to accept what is now proposed rather than wait for something worse to happen at a later date?—I am afraid that is a point I could hardly give a definite answer upon. We do not know what may be proposed later on. We have no method of comparison.

Mr. Grant.

171. At the time of the Report if you thought a contributory scheme was going to be asked for, would you have demanded a higher scale?—Certainly. We should not have accepted the figures of the scale if we knew we should be asked to contribute to the pension.

172. I think the assertion of the case on the other side is that in no circumstances could the Treasury give more money at the time than they did give.

† See Q. 494.

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Was that in your mind at the time?—In respect of salaries they could not give more than they did; Mr. Fisher said so. But it does not follow that they were going to cut off in pensions what they gave in salaries.

Chairman.

173. If indeed the fact that they could only give a certain amount is of material importance, it could be argued that that

(The Witness withdrew.)

Mr. GEORGE HENRY POWELL, called in and examined.

Chairman.

176. You are a Member of the First Standing Joint Committee on Teachers' Salaries, and Deputy-Spokesman for the teachers upon it, and perhaps you would tell us your own position as a teacher?—I have been a certificated teacher since the year 1892. I have served the National Union of Teachers as President, and am now the ex-President. I have, during a period of 15 months during the war, on behalf of the National Union of Teachers, conducted negotiations with local authorities respecting salaries. I have been a member of the First Burnham Committee since its inception, and I think I am right in stating that I have been present at every meeting of that Committee, and on one or two occasions—and only on one or two—when Sir James Yoxall was too ill to attend, I took the position as Deputy-Leader.

177. There are just a few points you wish to emphasise or comment upon, I think?—Yes, I want to say, first of all, that I read through Sir James Yoxall's evidence-in-chief before it was submitted to this Committee, and that I am able to endorse it throughout without any reservation. I particularly want to say that I have a clear recollection of the speech by the Minister for Education made to the authorities and the teachers when he invited us to come together for the purpose of settling the salaries' dispute, and I recollect very distinctly that he made reference to the Superannuation Act, 1918, spoke of its purpose in attracting young people into the profession, said that it had not altogether achieved that purpose, and that revision of the salaries of teachers was necessary in addition.* I want particularly to emphasise one aspect of what Sir James has put, which I do not think has been

amount was less than it otherwise would have been owing to the burden falling on them with regard to pensions?—Exactly.

174. And if they had had a prospective lessening of the burden in their minds they might have been able to give more in salaries?—Yes.

175. The only thing that was present in your mind was that there was no more money available?—That was so.

very much emphasised in the course of what has been said here this morning. After the standard scales had been formulated by the Standing Joint Committee and submitted to the President of the Board of Education, the President asked for time to consider the same, and specifically stated that, amongst other things, he desired to ascertain its "total financial effect." More than once he, Mr. Fisher, used that phrase, and that can be corroborated by reference to Mr. Fisher's letter to Lord Burnham of June 28th, 1921. In that letter that phrase is used, viz., that he desired to ascertain "the total financial" effect of the proposals which he had to consider. It was further understood by the members of the Burnham Committee that such "total financial effect" would be discussed with the Treasury. That has been confirmed by what Sir James has said this morning. When, therefore, the Minister for Education afterwards communicated to the Burnham Committee his acceptance of the scales, it would have been, I submit, improper for the members of that Committee to have assumed otherwise than that the effect upon teachers' pensions had been taken into account when considering the total financial effect.* I think it would have been improper for us to have said at that time, "Have you considered the effect upon this or that? Amongst other things, have you considered the effect upon pensions?" The Minister told us he had considered with the Treasury the total financial effect of the proposals, and having so considered that he was prepared to accept the proposals as the basis upon which the Government would pay grants. And I say that, in my judgment, the members of the Burnham Committee were therefore justified in assuming that such consideration had been given, and that it was

* See Q. 493.

* See Qs. 336-340, and 494.

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[Continued]

regarded by the Board and the Treasury as a part of the final bargain in the same way as it was so regarded by the members of the Burnham Committee. My suggestion to the Committee is that at that particular point, and in that particular way, Mr. Fisher, the representative of the Government, did give a pledge, at any rate he implied a pledge, that the full benefits, not only of the Burnham scale, but of the pensions scheme, which he must have taken into account as part of the total final financial effect, would remain a part of the bargain.

178. Do you not agree with me that every bargain of that kind between a Minister on behalf of the Government and any body of His Majesty's subjects must always be understood as being subject to the exigencies of the financial position of the State from time to time, and that therefore only the Government can be regarded as the proper judges of when the occasion demands a modification of any arrangement made?—I tried to make a rather careful note of what you said to Sir James in that respect, and I rather gather you put it that no Minister on behalf of the Government could really give or imply a pledge with regard to public expenditure, because that must always in the end be subject to conditions which might be changing conditions, and therefore must be always a matter for Parliament to decide.

179. I am suggesting that as a possible way of doing it. I am not saying it is necessarily the way I should do it, but it is, I think, a possible way of doing it?—May I suggest if that be a possible way of doing it, I should then say: If in the view of anyone—I do not say of yourself—it is a possible position to say that no Minister may give or imply such a pledge they have rather given you and your Committee a futile task to discover if such a pledge had been given.

180. I do not know that Ministers do take the line—we shall ask Mr. Fisher, no doubt—that any arrangement made by the Government involving finance is always less than a pledge, because it is subject to alteration, or whether they take the line, as, indeed, they seem to me to do in the quotations which Sir James Yoxall has made, that certain arrangements made by Government involving finance are undoubtedly pledges, and this is not one. However, I take it that you, at any rate, do not accept the suggestion I made, that

it is not reasonable to regard any arrangement made by the Government involving finance as equivalent to a pledge?—I do not think I could fall into line with that. I should take rather the contrary view, that it was a matter on which the Minister, having consulted, might fairly commit the Government, and properly do so.

181. For, at any rate, a reasonable period ahead?—Quite.

182. He, when assenting to an arrangement, should be regarded as having in his mind the probable requirements of the State for, at any rate, a reasonable number of years ahead, such a number in a normal case being in excess of the rather small period of time covered by these Burnham scales?—As a rule I should say it would be beyond that. I am bound to say, in all fairness to the Minister when he has been speaking of these things, he has on most occasions specifically stated the date up to which he makes these obligations as being 1925. One other thing I wanted to say. I was present at the Special Conferences of the National Union of Teachers on December 30th, 1919, and November 6th, 1920, to which Sir James has referred, and I realise it would be much to our advantage had we been in a position to put in reported accounts of the actual speeches made, but it was not advisable that those speeches should be reported at the time for reasons which Sir James has given. They were private conferences. But I well remember that Sir James on that occasion did use the argument which he has stated, and I have myself, in common with other members of our Executive, visited Teachers' Associations and argued with them as to the advisability of accepting the Burnham reports. I do not think it can be too strongly pressed that there was the utmost difficulty in persuading the teachers to accept and agree to those reports. I have used that argument myself on various occasions when I have been visiting local associations. I also would like to stress one other thing, if I have your permission, and that is a point that arose somewhat late this morning. It is this. The question of a non-contributory pension has undoubtedly been used as an inducement to recruitment, and young people have been induced to come into the profession because of that and other inducements held out to them, and it is worth while considering, I think, how far those recent entrants to the profession

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have a claim upon the Board and the Government to maintain the position which they set up in order to induce them to come into the profession.

Colonel Stephenson.

183. Arising out of what has been said just now on the question of the Government pledge, of course you know that the Chancellor of the Exchequer changes, and it may be the Treasury demands upon Ministers for economies to be effected vary with the Chancellor of the Exchequer. I do not know whether such a change occurred between the dates you name, but I did notice in the evidence given by Sir James that apparently further demands for reductions were made by the Minister for Education after consultation with the Chancellor of the Exchequer between January, 1921, and June, 1921. I rather think there was a change between those dates, and the new Chancellor of the Exchequer was squeezing the Minister for Education?—My memory would not allow me to say whether a change took place within that period.

184. But there was a change from the original recommendations of the Burnham Committee to the modified scale subsequently adopted, no doubt due to Treasury pressure?—Quite.—There is no doubt that modifications which the Minister insisted upon with regard to the carry-over, and the things that have been mentioned this morning, were directly due to pressure brought to bear upon him by the Treasury.

185. This contributory scheme would be part and parcel of the same thing—a continuance of the pressure?—Exactly; I think it is.

Sir William Joynson-Hicks.

186. You have referred to Mr. Fisher's speech at the opening of the Conference.

(The Witness withdrew.)

MR. CHARLES WILLIAMSON CROOK, called in and examined.

Chairman.

191. Are you a member both of the First and Second Committees?—Yes.

192. And you are a secondary school teacher?—Yes.

193. What is your experience as a teacher?—I have been headmaster since 1889, first of an ordinary elementary school, then of what is called a higher grade school, then of a central school,

What date would that be?—That was in July, 1919.

187. There is no report of it anywhere?—Mr. Fisher specially asked that speeches such as he made then should not be reported.*

Mr. Grant.

188. With regard to the observations that you have made as to the claims that young people coming into the profession may have because of the understanding that such pensions were to be given, was there a very large increase of candidates for the teaching profession after the Burnham Reports?—There was a material rise in recruitment. I think I may go even a little further back than the publication of the Burnham Report, and say that the Pensions Act of 1918 itself began to affect things in that way.

189. It had a distinct effect?—Yes, it had a distinct effect, and that effect was accelerated when the Burnham Scales were added to the 1918 pensions.

Mr. Rhys Davies.

190. Whatever might have happened in the Burnham Committees themselves with regard to a pledge or undertaking, implied or otherwise, was there anything to your knowledge said to the teachers themselves by the delegates who were sitting on the Burnham Committee as to any such undertaking?—I have no recollection of anyone having said specifically to the delegates present that any undertaking had been arranged or made, but I have a distinct recollection of it being stated to them that the teachers' superannuation scheme was in existence and must be taken into consideration by them when they were deciding the question as to whether they could or could not accept the figures submitted to them.

and now of what is called a county secondary school.

194. What is your school now?—The Wood Green Central Council School, to which is attached also a pupil teachers' centre.

195. Have you any points which you would like to put before us to amplify the evidence of your colleagues, or have

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[Continued]

regarded by the Board and the Treasury as a part of the final bargain in the same way as it was so regarded by the members of the Burnham Committee. My suggestion to the Committee is that at that particular point, and in that particular way, Mr. Fisher, the representative of the Government, did give a pledge, at any rate he implied a pledge, that the full benefits, not only of the Burnham scale, but of the pensions scheme, which he must have taken into account as part of the total final financial effect, would remain a part of the bargain.

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it is not reasonable to regard any arrangement made by the Government involving finance as equivalent to a pledge?—I do not think I could fall into line with that. I should take rather the contrary view, that it was a matter on which the Minister, having consulted, might fairly commit the Government, and properly do so.

181. For, at any rate, a reasonable period ahead?—Quite.

182. He, when assenting to an arrangement, should be regarded as having in his mind the probable requirements of the State for, at any rate, a reasonable number of years ahead, such a number in a normal case being in excess of the rather small period of time covered by these Burnham scales?—As a rule I should say it would be beyond that. I am bound to say, in all fairness to the Minister when he has been speaking of these things, he has on most occasions specifically stated the date up to which he makes these obligations as being 1925. One other thing I wanted to say. I was present at the Special Conferences of the National Union of Teachers on December 30th, 1919, and November 6th, 1920, to which Sir James has referred, and I realise it would be much to our advantage had we been in a position to put in reported accounts of the actual speeches made, but it was not advisable that those speeches should be reported at the time for reasons which Sir James has given. They were private conferences. But I well remember that Sir James on that occasion did use the argument which he has stated, and I have myself, in common with other members of our Executive, visited Teachers' Associations and argued with them as to the advisability of accepting the Burnham reports. I do not think it can be too strongly pressed that there was the utmost difficulty in persuading the teachers to accept and agree to those reports. I have used that argument myself on various occasions when I have been visiting local associations. I also would like to stress one other thing, if I have your permission, and that is a point that arose somewhat late this morning. It is this. The question of a non-contributory pension has undoubtedly been used as an inducement to recruitment, and young people have been induced to come into the profession because of that and other inducements held out to them, and it is worth while considering, I think, how far those recent entrants to the profession

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Mr. GEORGE HENRY POWELL.

[Continued]

have a claim upon the Board and the Government to maintain the position which they set up in order to induce them to come into the profession.

Colonel Stephenson.

183. Arising out of what has been said just now on the question of the Government pledge, of course you know that the Chancellor of the Exchequer changes, and it may be the Treasury demands upon Ministers for economies to be effected vary with the Chancellor of the Exchequer. I do not know whether such a change occurred between the dates you name, but I did notice in the evidence given by Sir James that apparently further demands for reductions were made by the Minister for Education after consultation with the Chancellor of the Exchequer between January, 1921, and June, 1921. I rather think there was a change between those dates, and the new Chancellor of the Exchequer was squeezing the Minister for Education?—My memory would not allow me to say whether a change took place within that period.

184. But there was a change from the original recommendations of the Burnham Committee to the modified scale subsequently adopted, no doubt due to Treasury pressure?—Quite.—There is no doubt that modifications which the Minister insisted upon with regard to the carry-over, and the things that have been mentioned this morning, were directly due to pressure brought to bear upon him by the Treasury.

185. This contributory scheme would be part and parcel of the same thing—a continuance of the pressure?—Exactly; I think it is.

Sir William Joynson-Hicks.

186. You have referred to Mr. Fisher's speech at the opening of the Conference.

(The Witness withdrew.)

Mr. CHARLES WILLIAMSON CROOK, called in and examined.

Chairman.

191. Are you a member both of the First and Second Committees?—Yes.

192. And you are a secondary school teacher?—Yes.

193. What is your experience as a teacher?—I have been headmaster since 1889, first of an ordinary elementary school, then of what is called a higher grade school, then of a central school,

What date would that be?—That was in July, 1919.

187. There is no report of it anywhere?—Mr. Fisher specially asked that speeches such as he made then should not be reported.*

Mr. Grant.

188. With regard to the observations that you have made as to the claims that young people coming into the profession may have because of the understanding that such pensions were to be given, was there a very large increase of candidates for the teaching profession after the Burnham Reports?—There was a material rise in recruitment. I think I may go even a little further back than the publication of the Burnham Report, and say that the Pensions Act of 1918 itself began to affect things in that way.

189. It had a distinct effect?—Yes, it had a distinct effect, and that effect was accelerated when the Burnham Scales were added to the 1918 pensions.

Mr. Rhys Davies.

190. Whatever might have happened in the Burnham Committees themselves with regard to a pledge or undertaking, implied or otherwise, was there anything to your knowledge said to the teachers themselves by the delegates who were sitting on the Burnham Committee as to any such undertaking?—I have no recollection of anyone having said specifically to the delegates present that any undertaking had been arranged or made, but I have a distinct recollection of it being stated to them that the teachers' superannuation scheme was in existence and must be taken into consideration by them when they were deciding the question as to whether they could or could not accept the figures submitted to them.

and now of what is called a county secondary school.

194. What is your school now?—The Wood Green Central Council School, to which is attached also a pupil teachers' centre.

195. Have you any points which you would like to put before us to amplify the evidence of your colleagues, or have

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Mr. CHARLES WILLIAMSON CROOK.

[Continued]

you any new points you would like to make?—With regard to the evidence of Sir James Yoxall and Mr. Powell, I simply endorse what they have said, and I do not want to waste your time with repetition of it except to amplify or perhaps help in one respect. I noticed that several members of your Committee were very anxious that you should have some documentary evidence with regard to the statement to teachers during the process of the Burnham Reports as to the influence of the pensions upon the scales then agreed upon. Fortunately I have found in the "Schoolmaster" of October, 1920—a very important date, because that was the date between the publication of Reports and their acceptance by the President—an article on the scales as affected by the pensions. That article was published in the "Schoolmaster," and was therefore published to all members of my Union, and I put that in.

196. This was after the publication of the Second Report?—Yes, giving the scales.

197. But before the Minister for Education had announced the agreement with the Government. Is not that so?—That is so.

198. To the first or second one?—To the second one. Of course, the article was not written with any idea of being brought before this Committee. It was merely written for publication to the teachers, showing the pension benefit added to the scale benefit.

199. Yes, I see. It is a short article, by yourself, headed "Scales and Pensions"?—Yes.

200. It refers to the "Value of our 1918 pensions," and gives the expectation of life for a man and woman at the age of 61, and says that the general expectation of life to teachers is better than to people in general. It is nice to hear that even under the desperate conditions of the past the teacher had a longer expectation of life than the general one?—We call it a longer sentence.

201. It points out further for what probable duration of life a teacher with 40 years' service would receive that pension, and then states what the present value of the combined pensions and allowances would be at the age of 61, and at 4 per cent., and so on?—Quoting the scales.

202. I think this only shows that in a calculation with regard to the effect of pensions and salaries an article was written quoting the scales in connection with the pensions. Is not that so? I

would like you to make any point you wish to make from this article, if my point is not the right one?—The point I am trying to make there is this. Sir James asserted that during the whole course of the negotiations on the Burnham Committees, and throughout our meetings with our own teachers, the fact that the pension scale was non-contributory was inherent to all the discussion. I am putting that article in to show that not only was it inherent, but that the teachers knew that that was our view at the time, because those figures would not have been published unless that had been our view.

203. I think we all go with you right up to the point of whether, although everybody thought that the Pension Act would not be modified, and everybody had the non-contributory pension scheme in mind, that fact amounted to an expressed or implied pledge that it would not be altered. I quite see the pertinence of your point?—That is a definite publication on that point. It is published at the opportune time between the publication of the scales and their acceptance.

204. Showing how the scales of salary, plus the pensions, would in general affect a teacher's financial position?—Quite. May I also add that those articles are carefully read by the Board of Education and submitted to Mr. Fisher.

205. Not submitted beforehand?—Oh, no, submitted afterwards.

206. I am bound to say I have once or twice in my career thought I might become, not perhaps the President, but Parliamentary Secretary to the Board of Education, but I did not know that that implied reading all the "Schoolmaster" every week?—I do not think you would do that, but somebody else would do it for you.† The second point I have to make is this. You were pressing Sir James with regard to the action of the Treasury on our former Superannuation Act. You will recall that when the £3,000,000 was transferred from our own Superannuation Fund to the National Debt Commissioners, the transference of the stock took place before the transference of the money. The transference of the stock took place in 1916 when the 4½ per cent. War Loan was brought out. That improved the percentage basis to the Treasury a very great deal. But I want to add to that that in 1913, when the second actuarial survey

† See Q. 495.

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of our old Superannuation Act was taken, the actuary suggested that the 2½ per cent. basis was too low, and it should be increased probably to 3½ per cent. After that publication in 1913 this transference of stock took place and increased again the percentage value of our contributions. When the money was transferred to the National Debt Commissioners in 1919 they got the advantage of the increased percentage, but they are paying our annuitants of 65 on the old 2½ per cent. basis. So that, so far as one portion of your remarks went, it is quite true that the Treasury has gained a very large amount by the transference of our funds to the National Debt Commissioners. The third point I make is this. I happen to be, as I mentioned, the head of a secondary school, to which is attached a pupil teachers' centre.

207. Before you go on to that, may I ask you this. You would argue from what you have said that there was some gain to the Treasury to be set off against the very much increased contributions required from the Exchequer at the time the 1918 Act was passed?—Yes, that was the purpose of my argument. I happen to be the head of a pupil teachers' centre which only began after the Superannuation Act was passed. Up till that time I had always advised all my boys to avoid the teaching profession, as they would avoid anything that was distasteful. When the 1918 Act was passed and the Burnham Committee sat and published their provisional minimum scales, I called a meeting of parents in Wood Green, which was presided over by the chairman of our Wood Green Education Committee and was attended by Mr. Ford, H.M.I., at which I definitely stated that owing to the increase of benefit from our Superannuation Act and owing to the increase in salaries which were now being offered by local authorities, not only was my objection with regard to boys entering the teaching profession gone, but that I would encourage them to enter the teaching profession on those two grounds. I published a pamphlet at that time stating those points, stating the salaries which were now offered to teachers, and stating the pension benefits under the Act of 1918. I sent a copy of that pamphlet to the Board of Education, and they acknowledged its receipt; I sent it to the parents of children who I thought might be likely to become pupil teachers, to read, and each one of them read these benefits to their children; and on the strength of those two things, the scales

and the pensions, I have now about 30 intending teachers in my school where there were none. I think it puts me in a very bad position to find that after I have pledged myself through those scales and through those pensions, and have started these young people on their way into my profession, I have to tell them now, as I may have, though I hope not, that the Government Act on which I persuaded them to come in is no longer to be maintained. I think they have a perfect claim to say I have played them false, and that the Government, having changed its mind, has not kept the bargain it should have kept with them. That is my view on that point. May I just add this further evidence. I have been, perhaps, more in touch with other Departments of the Government than most of my friends on the Executive. I have been in touch particularly with the Ministry of Labour lately through their desire to encourage ex-service men to become teachers. The Board of Education set up a small Committee to discuss that point, upon which Mr. Sharples, who now, unfortunately, is deceased, and myself represented the Union. On that Committee we discussed the methods by which these ex-service men could be admitted into our profession, and the inducements that could be offered to them to enter. Unfortunately, I have not had time to get the documentary evidence I should like on that point, but I think this Committee might, if I cannot, from their greater official power seek evidence on two points: First, on that Committee of the Board of Education which discussed the method by which these ex-service men should be selected, was there a pamphlet drawn up showing the inducements of the teaching profession; and did that pamphlet include the mention of the Burnham salaries, and the mention of the non-contributory pension scheme? Because, I think, if such a document does exist—and I believe it does, because I was asked to draw up before that Committee some of the advantages—I think that would be as direct a pledge from the Government as you could wish. Secondly, if that particular pamphlet cannot be found, whether the Ministry of Labour in sending round to its centres the terms under which these ex-service men were to be admitted as teachers, sent out any similar document* showing these inducements.

† See Qs. 495-6, and Appendix 2.

* See Appendix 3.

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208. I see the pertinence from your point of view, and I will have a copy made of what you have said and send it to the Ministry concerned and ask them your questions.—I cannot get them myself.

Mr. Holman Gregory.] I should conclude they could not say anything else, because if they had to set out what the men were going to earn, it must be the wages under the scale; and they would also set out what the pension would be, and it must be the pension under the Act.

Chairman.

209. Whether it adds weight to your constructive case that it amounts to a pledge given by the Government or Parliament, that is for us to consider, but it is quite pertinent that we should see it.—May I mention one further point, and that is this. In the method of selecting these ex-service men for the teaching profession they are selected by a Board. That Board consists of three persons, a representative of the Ministry of Labour, a representative of the Board of Education, and a representative of the National Union of Teachers. The selection is made by record, and mostly by personal interview. It was a fact that the question of pensions was mentioned several times at those interviews. Would evidence from anybody on that point be of any value to this Committee?

210. No, I hardly think it would. I can see that an official publication by the Government calling attention to pensions might be held to increase the strength of the case as to a Government pledge, but I do not feel as if what you have just mentioned will assist.—I do not want to trouble you if, of course, it is of no value. I have one last point. It has been assumed all through the discussion this morning that the Burnham scales were the beginning of the big improve-

ment to teachers' salaries. May I say in my own area at Wood Green we had a scale better than any of the Burnham scales adopted on January 1st, 1920, and that that scale has had to be reduced in consequence of our meeting with the Burnham Committee. So it has not all been honey to all the teachers everywhere on these Burnham scales.

Colonel Stephenson.

211. On the last point you made, I suppose the Burnham scale has resulted in some salaries being advanced in your area?—No, none.

212. You mean that is so in the case of every salary of every class?—My authority is only part 3.

213. You are just alluding to your own particular part?—Yes, part 3.

214. That is probably so in other areas too. You said you rather had it on your conscience, or that it would be levelled against you, that you had induced people to enter the teaching profession and now, if this contributory levy was imposed, you would feel you had practically got them in by false pretences. You do not really want us to believe that this 5 per cent. will make the difference between poverty and affluence? Of course that is not really within our province; our province is to discuss whether there was an undertaking given or not. But you would not like to stress that point unduly?—I would not like to say it is the difference between poverty and affluence, but I mean to say it is a difference of 5 per cent.

215. Would it have affected the advice you gave if you had known this might have happened in the first instance?—I think perhaps I might say that I do not think teachers have a strong objection to a contributory scheme if the terms of that contributory scheme are known to them and accepted by them.

(The Witness withdrew.)

(Adjourned for a short time.)

Mr. ROBERT FRANCIS CHOLMELEY, called in and examined.

Chairman.

216. You are a member of the Second Committee, and spokesman for the Secondary Teachers there?—Yes.

217. Will you tell us what your position is as a teacher, and so on?—I have been a schoolmaster since 1886, first of all as an assistant master for a term at Eton, and then assistant master for 23 years

at St. Paul's School, and since then as headmaster of Owen's School, Islington, which is an endowed school, grant-earning, and rate-aided by the London County Council. I have had a good deal to do with questions concerning educational organisation. I was Chairman of the Assistant Masters' Association just before I became headmaster, and I have been one of the Honorary Secretaries of the

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[Continued]

Headmasters' Association since 1913. I was spokesman for the Teachers' Panel at the Secondary Burnham Committee, and I do not think I missed a meeting.

218. You agree that the course the Committee is now following, of asking Sir James Yoxall to open the case and asking gentlemen like yourself to supplement his evidence, gives you a fair chance of putting your case?—Quite. First of all, on the main point, our position was governed really by the fact that we followed immediately upon the work of the Elementary Committee and more than that, our Panel consisted not only of representatives of the four Secondary Associations, the Associations of Headmasters and Headmistresses, and Assistant Masters and Assistant Mistresses in secondary schools, but also of representatives of the National Union of Teachers on account of their interest in secondary education as well. So that Sir James Yoxall and Mr. Crook were members of both Committees. I may say also that Sir James Yoxall was kind enough to send me a proof of his evidence beforehand, and I read it very carefully and reflected whether I ought to produce something on our account, but I thought it covered the whole ground, and that I would not. The only document I should like to allude to at all is a document which is over the signature of myself and my fellow-Secretary, and was put into the hands of every member of the House of Commons on the day before the debate, representing our view on this particular matter.†

219. Perhaps you will put that in, so that we may look at it. I think it is under date of the 13th May. I happen to have it, because you sent a copy of it to me. Perhaps you will just comment on that document, and tell us of any other points that strike you this morning?—To begin with, when you opened the proceedings you rather suggested that those who followed Sir James Yoxall should deal with additional points rather than attempt to reinforce his particular argument.

220. I want to give you an opportunity of doing two things: first, to bring up any new points that strike you, and secondly, to emphasize or put in a new light to us or shed fresh light upon any points that he has made?—The two points which came rather particularly before the members of the Secondary Panel were those which arose in connection with the with-

drawal from existing pensions schemes, and those which arose in connection with the supply of teachers; because in the first place the Superannuation Act, 1918, was much more partial in its operation with regard to secondary teachers than it was with regard to elementary teachers, and therefore we had it in our minds, even perhaps more than they did; we had scrutinised it more carefully and were dealing with it more critically; and also because the pensions schemes in which secondary teachers did already participate were of varying kinds, and every one of those schemes had to be considered separately by the bodies of teachers concerned before they made up their minds to withdraw in order to accept the benefits of the Government Superannuation Act. So that to that extent I think you may say that the secondary teachers had the Superannuation Act, 1918, before their minds even more definitely and more in detail than the elementary teachers. At any rate, they certainly had it continuously and very much in detail in their minds, and in some cases they found it very difficult to decide whether they ought to withdraw from the existing pension schemes. It would be extraordinarily difficult to say what in many cases would have been the decision of the teachers if they had known that there was the least chance of the Government Superannuation Act becoming contributory. I had very strong representations made to me, for instance, from Liverpool to the effect that that entirely altered the position upon which the teachers in Liverpool, or some of the teachers in Liverpool, were induced to give up their own pension schemes. So that there, I think, perhaps, I may be able to reinforce Sir James Yoxall's point of view.

221. On that point I would just like to put this before the Committee, as I do not want to have anything in my own mind that is not before the Committee as well. I have received, as one of the governing body of Blundell's School, Tiverton, a letter from the headmaster in which, I think, he makes your point. What he says is this: "When the 1918 Act was drafted, several schools had excellent local pension schemes of their own, based on a contributory footing; and it was almost entirely due to the generous offer of a non-contributory Government pension that masters and governors agreed to wipe out existing schemes. At Blundell's, for instance, some masters—knowing that their Government pension

† See Appendix 4.

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was non-contributory—arranged to keep in force (as a private venture) their policies under the local scheme. They have committed themselves on the strength of a Government undertaking, and will be awkwardly placed if they are now called upon to contribute 5 per cent. of their salaries to the Government scheme. I think that most people will agree that pension schemes ought to be contributory; but that admission does not alter the fact that the promise of a free-of-cost pension has induced people to commit themselves to financial undertakings of a costly and, in some cases, irrevocable nature." You would agree that that illustrates your point?—Oh, yes. Without going into detail, there are all sorts of elements in contributory pension schemes, rather attractive elements, which are absent from the Superannuation Act, 1918. The position of the widow, for instance, and all sorts of things. But it is the fact that the Government scheme was non-contributory, as the headmaster of Blundell's School says, which was the decisive factor in determining people to give them up. The other point in which our experience as secondary school teachers, and in particular the experience of heads of schools, seemed to me to be perhaps of value, was the point taken by Mr. Crook. He is himself the headmaster of a secondary school. His point was the very great difference that was made in the attractiveness of the teaching profession by these two elements taken together, the superannuation position and the Burnham scale position. Before 1920 the number of really able boys who went from my school—which is just the sort of school that ought to supply the teaching profession—into the teaching profession was perfectly negligible. Although I do not want to exaggerate any more than Mr. Crook wanted to exaggerate the financial advantage of the non-contributory superannuation scheme, yet when you remember that the attractive thing to all these rather able but quite impecunious young persons who go through to the top of secondary schools is the Civil Service, in which that is a particular attraction; generally speaking, what attracts them is anything that provides a reasonable pension scheme and a fixed salary; you will see it does not take very much to tip the balance the other way. We feel very much that partly because this advantage is apparently to be withdrawn, and partly because of the general state of unsettle-

ment that this proposal gives, the recruiting of the teaching profession is going to be extraordinarily difficult. We feel that from our own knowledge. We were being perpetually exhorted before this came in to supply recruits to the teaching profession. Colleagues of mine, who have slightly less freedom than I have—I mean headmasters of provided schools—have been sent for before local education authorities and carpeted because they do not send their pupils into the teaching profession, and they have replied that they cannot honestly advise them to go into it. For a short time we could honestly advise them to go into it, but it is going to be very much more difficult. As I have said in the letter which I put in: "With the Government reducing salaries by 5 per cent. for the relief of the taxpayer, on the basis of Mr. Fisher's Bill, while local education authorities 'up and down the country are requiring or cajoling the teachers in their employment to give up another 10 or 15 or 20 per cent. for the relief of the ratepayer, our pupils will get a very different sort of advice if we are to tell them honestly what it means to enter the teaching profession." Those are the broad points I have to put before you. Would you like to ask me any questions on them?

Chairman: I think you have made them so clear that I have nothing to ask you.

Mr. Rhys Davies.

222. A good deal has been said as to the recruitment of young people into the teaching profession. Have you any evidence to give us at all as to the proportion of males and females recruited into the teachers' books?—No.

Mr. Grant.] Supposing people had not come into a Government scheme, had they an absolute surety for the future as to continuance?

Chairman.

223. Put it this way. Might not the same risk have applied that the governors of, say, a secondary school might cause the teachers to make a greater contribution, in just the same way as the Government now propose to ask the teachers to make a contribution?—Before this happened I should have said it was unthinkable that they could.

Mr. Grant.

224. But circumstances have changed, of course, and have come to a very abnormal condition, and I should like to

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ask your opinion as to the risk. In the other case, was the risk greater?—I do not think it was. You have contracts with insurance societies.

Chairman.

225. I think that is the answer: that these schemes are mostly secured by contracts with insurance societies, and it has not, at any rate, been thought that there was any likelihood of them being varied?—No. To take my own case: in London the schemes that have been initiated by aided schools—schools that are not provided by the local authority—had to be carried out with the consent of the authority itself. The authority itself being the aiding body, had to see that the governors did not pledge themselves to make a larger contribution than they were prepared to back.

Mr. Grant.

226. You seriously state it as your opinion that a 5 per cent. contribution will affect to a considerable degree the recruiting capacity of the profession?—I think so, because it does not take very much to do it. The parents of my boys come and say: "I am thinking of sending my boy into the Civil Service." I could say: "In this particular, at any rate, the teaching profession is just as good as the Civil Service now." Well, it does not take very much to alter that.

227. You think that the 5 per cent. would put it below the chances of the Civil Service?—Yes. You have a certain number of people starting for a race, all from scratch, and now you are putting one of them a yard back. It may be only a yard, but it may make the difference.

228. You think it will very materially interfere with recruiting?—I think so.

Mr. Rhys Davies.

229. Would it affect the boys more than the girls in this connection?—I cannot tell you that. Officially I know nothing about girls' education.

Sir William Joynton-Hicks.

230. You told us that a good many people who were in the other pension schemes were in doubt as to what they should do with their schemes when the Government Superannuation Act of 1918 came in. What became of those schemes?

—What happened was that they got the surrender value.

231. Each person got his own surrender value?—Yes; and this is a point which ought, I think, to be remembered: that in some cases those who were responsible for those schemes were so uncertain as to whether the teachers were right in withdrawing that they got back, not only the surrender value of their own contributions, but the surrender value of the governors' contributions.

232. Do you mean the teachers got them?—Yes, the teachers got them. They got them in my own school.

233. They got the governors' contributions, too?—The teachers got the value of their own contributions and of the governors' contributions.

Chairman.

234. But in some cases the governors got back the value of their contributions?—In some cases, yes. Of course all that had to be done with the consent of the Treasury.

Mr. Holman Gregory.

235. You have been advancing very cogent reasons why there should not be a contributory pension fund, which I appreciate; but coming back to the immediate issue before us, that is to say, whether there was any Government undertaking, are you, on behalf of the masters, putting your case higher than this? The Superannuation Act of 1918, you had good reason to believe, provided for a non-contributory pension scheme for all time, speaking within reason. That is the first point. You agree with that, I understand?—Yes.

236. The second point is this: that when in 1919, 1920, and 1921, the joint committee of the school authorities and those representing the teachers were discussing the proposed scale, they had in their minds, and were influenced by the provisions of, this Act of 1918 in arriving at the amount of their scale. Can you put your case higher than that?—No; I do not see how you could have a higher case.

237. That is your case?—Yes, that is my case.

238. And you cannot put it higher?—No.

239. I wanted to summarise your case and have it before us in simple form?—There was one question I remember which was asked Sir James Yoxall, to which I

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could have given a slightly different answer. It was asked whether there were any other Acts which put schoolmasters in a privileged position, the withdrawal of which, although nothing had been said about it openly, would have made a considerable difference. Now the assistant masters in endowed schools have such an Act. I remember it particularly, because I was partly instrumental in getting it passed. That is the Endowed Schools (Masters) Act of 1908, which gave them a quite definitely better position with regard to tenure than they had before, and which happens to have been of singular importance recently, when the local education authorities have tried to give notice to teachers, with a view to reducing their salaries, and have found that the notice they have given has been insufficient. Now that is not exactly a financial privilege, but it is a privilege of considerable value, and incidentally of financial value.

Chairman.

240. Would you allege that the repeal of that Act would be a breach of a definite or an implied pledge?—There you have me in a difficulty, because I do not know in what circumstances an Act of Parliament implies any pledge, except that it will not be altered before they have time to get in a new one. The argument that there is no pledge, it seems to me, could be used in favour of the repudiation of almost everything, including interest on the National War Bonds. Parliament is omnipotent. It is a question whether we are to be expected, when anything of this kind happens, to say simply: "The Lord giveth and the Lord taketh away; blessed be the name of the Lord." It can be done. There are plenty of Acts of Parliament about which it would not matter twopence whether they were materially altered every year. Take summer time, for instance; you might alter the date of summer time by an Act of Parliament every year and nobody would mind. It surely is a question whether this is the kind of Act which ought to imply permanence. And is not the ground upon which we can ask that it ought to imply permanence, the fact that it influences the whole future outlook of the profession? If we are not going to have some kind of permanence for that kind of thing, you cannot get a profession together at all.

Colonel Stephenson.

241. Do you not consider that some consideration ought to be given to the fact that we have been passing through a period which must be looked upon as abnormal? In 1918 and 1919, and 1920 even, the Government, wishing to raise the position of teachers, quite properly and very necessarily, said: "We will have this agreed scale of salaries so far as it is agreed, with the rectifications which have been made, and we have given you a non-contributory pension scheme," and then later on they find that the financial exigencies of the war are such that the good intention which they entertained previously cannot really be carried out, and they say: "Now we find that the financial conditions are very different to what they were when we passed this Act of Parliament, but we are willing to continue this pension scheme if you will contribute towards it." That is the practical position?—My answer to that is: Very well, that is taxing the teachers 5 per cent. because you want some money. We have not the least objection to being taxed 5 per cent. provided you do not tax us only.

242. But the offer was a little over-generous to the teachers, I mean, having regard to the existing circumstances, and not to the circumstances at the time when the offer was made?—Our point is that the Government put the teaching profession, partly directly through the Superannuation Act and partly indirectly by the stimulus that it gave to the Burnham scales, in a certain position among similar professions and occupations open to the same kind of persons, educated in the same kind of way; that they did that—I do not suppose it matters why they did it, but I say that they did it because they thought it was for the benefit of the education of the country. Then when they are hard up for money they should start with this; they should recollect that we are, to use my same metaphor, starting from scratch along with the other professions and occupations, and that they have no business to put us back a yard.

243. But I think you have no objection to the contributory basis as such; in fact in some ways you rather prefer it?—No.

244. That is neither here nor there; I thought you agreed with that.

Chairman.] That was merely an incidental remark in the letter.

Witness.] If I might say so, when the idea was first mooted I said: "This is

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MR. ROBERT FRANCIS CHOLMELEY.

[Continued]

capital; all pensions ought to be contributory, and the Government will get a lot out of Civil Servants as well."

Colonel Stephenson.

245. Then I come to this: that if the rectification is made and has to be made, teachers will not be the only persons who are specially taxed. I may remind you that there is such a thing as the Corporation Tax, which touches a great many people, which is specially levied on certain classes of capital interest. Now if a rectification of pensions has to be made, a rectification on a contributory basis, as such, is not the wrong method or the wrong thing to do?—There are two questions. There is the question whether the method is a good method and the question whether, by introducing it at this moment and in this particular way, you are reducing a position which you set up. I might agree with the former and still object to the latter.

246. You answered a question put from the other side of the table by a comparison with the Civil Service. I do not know whether you really meant literally that this 5 per cent. contribution is going to make such a difference to the remuneration altogether, including the pension of the teachers' profession, that it does put them below the Civil Service, and that without the contribution they were above the Civil Service. Is it so fine a point as that? I was not sure whether you meant that to be taken literally. You really stated in evidence just now that if this contribution was not demanded you were able to advise your people to enter the teaching profession as being equivalent to, if not better than, the Civil Service, but that if this contribution was demanded you would not be able so to advise. Do you mean that literally?—I do not want it to be pushed any further than it can be pushed. I merely mean that that is the kind of comparison that one has to make, and, for what it is worth, that 5 per cent. makes a difference.

247. It is worth exactly the amount of its accuracy?—Yes, quite.

248. If it is not accurate, it is not worth much; and if it is accurate, it is worth a great deal?—But I do not quite understand the criterion of accuracy.

249. Is it a fact that the salaries without the contribution offer better prospects than the Civil Service, and with the contribution, worse? That is the answer you gave to a question which was put?—In order to answer that question

I should have to go through the whole of the salaries of the teaching profession and all the different grades of the Civil Service.

250. But you have already given the answer. I am really asking you if you would like to revise that answer?—May I put it in this way? My sixth form in the old days habitually supplied what is called the intermediate class of the Civil Service with some of their very best boys. That is the intermediate class, which took a boy at 18 or so, straight from school; and I have always had the attractiveness of that particular class in my mind, and it is with regard to that particular competition that I felt that this going back on the non-contributory scheme would go against it.

251. You cannot substantiate the answer you gave to the question put from the other side of the table, that with the contribution the prospects are worse than in Civil Service, and without it they are better—not even that particular intermediate class?—I cannot say that they were £1 better and that they are now £19 worse.

252. But you *did* give the answer, and I want just to test it.

Chairman.] I suppose it is not possible to compare two professions simply by salary.

Colonel Stephenson.] I said prospects altogether.

Chairman.

253. When you are dealing with a profession, a great many things come in, of course, on both sides—among others, the longer holidays and what they are worth to schoolmasters, and so on. All I imagine that you wanted to suggest to us was that, whereas for many years if you had been asked in general by parents or by students whether you would advise that they had better prospects generally in their chance of passing for the intermediate grade of the Civil Service or by becoming a schoolmaster, you would have said the former, and at a certain point, when the pensions were given to the teachers and the Burnham Scales were introduced, you would have perhaps preferred the latter, but that now you may have to modify that advice and go back to your previous feeling that the teaching profession does not offer such good prospects. Is that about as high as you put it?—Yes, I should not put it higher than that.

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[Continued]

Sir William Joynson-Hicks.

254. May I just take it a step further. Could you tell us whether, since 1918-19 your sixth form boys who did go into the intermediate class of the Civil Service have shown a tendency—I will not put it higher than that—to go into the teaching profession? Has there been a change in your own sixth form?—Yes, I think there has. Of course one is still not free from the effects of the war; but I think there has.

255. Do you anticipate that if this Act is passed, there will be a further change back in favour of the Civil Service?—There will be a tendency to change back. In the recruiting of the profession it wants very little change in a particular school to make a considerable difference.

Chairman.

256. I think you had some further points in your mind to put before us?—I think that the two main points that we desire to make in this letter which I have put in are these. The first point, that has been made, perhaps, quite sufficiently by others, is that although we do not profess that we were told in so many words by the Government that we should count upon the benefits of the Superannuation Act and that we ought to remember that when we were arguing about the Burnham scales, still it is not possible to argue that the Burnham Committees did not base themselves upon the existence of that Act. The teachers have said that they could not have accepted the scales if it had not been for the Act; to which the Government makes the very reasonable retort that if they had not accepted the scales the Government would not have given them anything better. Neither statement can be proved at all; but we are entitled to argue, I think, that so long as the Government, so to speak, sat there knowing that we had got the Act, so long as that was the point from which we jumped off, we were entitled to consider that so far as any Act of the kind could be a permanent promise, it was permanent. I should not like to put it further than that. The only other point that I want still rather to insist upon is that it is not the only way of making teachers contribute to the financial necessities of the country. As was said to me just now, there are industries which contribute in a special manner. We have been told several times by Mr. Fisher

himself and others that, as teachers, we possess certain advantages; and we do. But we deny that we are the only class in the country that possesses those advantages. My association sent a deputation to Mr. Fisher the other day, and I said to him then: "We come before you as people who are not asking for relief of taxation; we are perfectly prepared to be taxed; but we object to being taxed by ourselves, and we cannot see that this imposition is anything else but a tax," because, as has been pointed out before, we do not even yet know that the contributory principle will be recommended by the Departmental Committee and will be put in operation. Supposing the Departmental Committee report strongly against it and no contributory pensions follow, is the Government going to give us back that 5 per cent.? I am afraid that is almost as unthinkable as anything else; and yet it ought to. It is the fact that these things are not what they seem that causes us to talk about breach of faith. Of course, it partly comes from the extraordinarily ambiguous position of the Government in the matter. The Government never knew how far it was responsible for the Burnham scales. I am not at liberty to report what happened exactly when Mr. Lloyd George saw Sir James Yoxall and Mr. Abbott and myself, but you had, shortly after that, Sir Robert Horne, in the House of Commons, saying that the Government stood by its contract with the teachers; you had Mr. Fisher at Kingston-on-Thames, shortly afterwards pointing out, quite correctly, that the Government had no contract with teachers at all, but only with the local education authorities. They did not know to whom they were pledged or how they were pledged. It was an extraordinarily difficult position. It is all the more necessary, therefore, for them to act with extreme scrupulosity, and it is open to us, I think, to argue that when you have an Act such as the Superannuation Act of 1918 which belongs (and this is really the point of our case) to a class of Acts which, if they do not guarantee some kind of permanency ought never to have been passed at all, and then you have that taken away so short a time afterwards upon, I was going to say a pretence, but that is not really the word I want, but upon an assumption which may never be realised, that it is part of the contribution to a contributory scheme of pensions—that then we are entitled to complain that we are not being dealt with fairly.

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[Continued]

We feel like the baby that died young: "If so soon I must be done for, I wonder what I was begun for."

257. I see those points quite well and so clearly that I do not want to ask any further questions. Have you any further

points you would like to make to us?—No, I think not.

Chairman.] Thank you very much for the extremely clear and fair way, if I may say so, in which you have put your points.

(*The Witness withdrew.*)

Mr. D. M. COWAN, M.P., called and examined.

Witness.] Mr. Chairman and Members of the Committee, I have to thank you for your courtesy in so far interpreting the remit as to allow me to make a short statement.

Chairman.

258. I was going to say this. You wish to give evidence on behalf of a certain body representing Scottish teachers?—Quite.

259. What is that body named?—The Educational Institute of Scotland.

260. My colleagues and I have had a very short opportunity of considering to what extent the position of Scottish teachers is involved in this matter. The position is not altogether clear, because, of course, the Burnham Committee did not consider scales of salaries in Scotland; but our Terms of Reference refer to "the present scale of salaries for teachers," without specifying whether that means England and Wales or includes Scotland. Also, though I think that possibly what was in the minds of the Government in framing the Terms of Reference was very likely confined to England and Wales, although they meant by "the present scale of salaries for teachers" the scales as set up following upon the recommendations of the Burnham Committee, yet it is, I think, a fact that the Bill which is now before the House, with regard to which the action of the House led to the appointment of this Committee, does apply to Scotland.—Quite. In effect it applies equally to Scotland.

261. Therefore, I think it is quite pertinent, if I may say so, for you to ask to be heard by this Committee, and for us to hear you; although I do not think it will be necessary to open the whole case as if there were a different case for Scotland?—I quite agree.

262. But it is, I think, *apropos* to give you an opportunity of advancing any arguments that occur to you on the sub-

ject, and also an opportunity of putting in any documents which may be in existence or have arisen in Scotland, not known to those who represent the teachers here, for our consideration?—Quite.

263. Then, first of all with regard to any argument you would like to address to us, and then perhaps you would say whether you believe that there is in existence any document which might assist us, and as to whether you could obtain that document for us to look at before we have to draw our conclusions?—I will remind the Committee that the reference to the Departmental Committee, which is to be set up to consider any possible amendments in the superannuation scheme, applies not only to England and Wales but to the Scottish scheme as well, which shows that Scotland is vitally affected, as it is as regards money and other things. I speak at rather short notice for the Educational Institute of Scotland. That Association comprises in its membership something like 23,000 or 24,000, which means something over 90 per cent. of all the teachers in Scotland in all classes of schools.

264. Are you one of their officers?—Yes, I used to be one of their members until I came here, and I still do work for them in a semi-legal capacity, not being a lawyer. I am their Parliamentary Secretary. So that I can speak with full knowledge, because for something like 20 years I have been very intimate with all their counsels and have been very largely responsible—I have been the convener and the chief agent in dealing with their superannuation schemes during the last 20 years. I might point out that the interests financially of Scotland are identical with those of England and Wales in this matter, because under the Act of 1918, applying to Scotland, the financial provision is that whatever money goes to England carries a corresponding proportion to Scotland to the extent of 11/80ths; so that if this deduction of 5 per cent. is made as regards England and Wales, then automatically, apart

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[Continued]

from any consideration of the details of the scheme, Scotland loses 11/80ths of that sum. Therefore in dealing with this Bill for England and Wales you are really dealing with Scotland. As regards the salary schemes in Scotland, there is a little difference in detail, as compared with England. Under our Scottish Education Act, 1918, it was laid down that the Scottish Education Department, after consultation with representatives of the education authorities and representatives of the teachers, should lay down minimum national scales; and below those scales no education authority should be allowed to pay its teachers. That is a very important difference as compared with England. With regard to the Burnham scales, you see that the Board of Education cannot enforce them, but with regard to the minimum national scales in Scotland they are enforced; no education authority can pay lower than the scales so laid down. On those approved salaries the pensions are paid. With regard to the superannuation scheme in Scotland, it is to be noted that first, from 1898 till 1912, the scheme was the same for Scotland as for England and Wales; in 1912 Scotland broke off from that arrangement and set up, pretty largely at her own expense and by agreement among the various parties, the Department, the school boards and the teachers, a new contributory scheme. It is to be noted that from 1912 until 1919 Scotland had a contributory scheme, with three contributing parties. That gave satisfaction so far as it went, but in 1918 the English Superannuation Act was passed, and that brought money to England. Naturally, Scotland got its corresponding grant, and with it set up a non-contributory superannuation scheme which is in its main essentials the same as the scheme in operation in England. Now with regard to the salary scales as affected by the existence of that non-contributory superannuation scheme, it is to be noted that in August, 1919, that is some months after the non-contributory superannuation scheme had been in operation, the Department met representatives from the education authorities and representatives of the teachers, and at that meeting an agreed-upon salary scale was adopted. You will see then that the important question, as we have had discussed here this morning, is: Was the existence of the non-contributory superannuation scheme a recognised vital and determining factor in the fixing of the

minimum national scales of salaries? I think that is really the crux of the question to which we are addressing ourselves here to-day. As regards that, I have here, and would submit for the consideration of the Committee, as perhaps a sort of forerunner of other documents that might be in existence, a statement of one of the parties to the salary agreement, the one who really led the teachers' party. He sends me a letter this morning, which I might be permitted to read. He says: "I went through to Edinburgh the other day to read over again the record of the minimum national scales meeting." That was a meeting of seven authorities' representatives and seven teachers' representatives, with Sir John Struthers, the head of the Scottish Education Department at that time, in the chair. "I find that, as I thought, there is a statement by Sir Arthur Rose." Sir Arthur Rose was the Chairman of the Edinburgh School Board at that time and the leader of the authorities' representatives. "There is a statement by Sir Arthur Rose that the new pension conditions were a factor in the salary question, and he submitted a statement showing the effect of the new pension benefits." That was put down before the 14 representatives of the two sides, plus Sir John Struthers in the chair. "I thought that there might be a chance of my being called before the House of Commons Committee if the case of Scotland comes up, which is very unlikely." (Well, he is wrong in that.) "Still, this perfectly definite expression may be useful." I think that makes a *prima facie* case that the Scottish teachers, as you have heard already suggested might be the case, should be allowed, before you came to any definite decision, to put before you their views with regard to the contractual obligations upon the Government as well as upon themselves. I might say that the feeling among them, reading from this statement here, and taking out of it what I think may fairly be taken, that the benefits of the superannuation scheme were used in some measure, at any rate, to lessen or depress the salary scales which were adopted and that now it seems very unfair that that advantage should be taken away after it has accomplished its purpose of so far depressing those salary scales. That is really the case that they put forward; it is for them to argue it, and it is for this Committee to decide upon it.

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[Continued]

265. I think I understand exactly the point you have made. You suggest to us that whereas in England, as I think has been indicated to us by quotations from letters written by Lord Burnham, it was clearly in the mind of the Committee that the Pension Act had been passed, and it was not in the mind of the Committee that the Pension Act was likely to be repealed or modified, and whereas in the case of England there were not a large number, but certain references in the course of their proceedings to the pension scheme, in Scotland they went one step further, perhaps rather a small step, but one step further forward, namely, that in their discussions, a record of which exists and which could be sent to us, the head of the representatives of the local authorities brought the pension scale into argument as justifying the proposed salary scales. I think that it will be quite right for you to put that in.† No doubt it could be arranged before we come to consider among ourselves the evidence given; but I think that unless on research or further consideration you can go further than that, and allege any pledge given or implied by the Government, or by any Government representatives to the same effect, it would not be necessary for us to trouble the Secretary for Scotland, for instance, to come and comment on that matter. You see what I mean?—Quite.

266. You might urge that this pledged the Government, but I think you would not urge that it amounted to a pledge by the Government?—There is a very important distinction, of course, between the Burnham Committee and these Committees, that the presiding person was Sir John Struthers, the head of the Scottish Education Department, who heard the arguments on both sides, and who determined the rate of scales after hearing both sides and taking into consideration all that had been said with regard to the superannuation scale and everything else.

267. But did he determine them or was he simply sitting as Chairman to see fair play and to guide the discussion?—No; that is a very important thing. Whether it affects England, I should not venture to say, but I should just like to make the position of Scotland clear. Under the Scottish Act of 1918 obligation is laid upon the Department to decide the minimum rates of salaries for each grade of teacher, after consultation with the representatives of the authorities and representatives of the teachers. The obliga-

tion is laid upon the Department. It is open to the Department even to sanction a scale of salaries which would satisfy neither the authorities nor the teachers; but it is a final scale of salaries.

268. Suppose we accept suggestions made to us this morning that it was quite clear in Mr. Fisher's mind and in the mind of the Chancellor of the Exchequer that the Superannuation Act of 1918 had been passed and the pension position of the teachers made relatively satisfactory, and even, if you like, go further: that at that time there was in the mind of neither of them any suggestion that that was likely to be altered, is the position in Scotland parallel, namely, that the same facts were known to Sir John Struthers when he was doing something rather more definite, I agree than was done by Mr. Fisher—Mr. Fisher discussed with the Chancellor of the Exchequer what scale of contribution towards the expenses of local authorities and teachers' salaries should be afforded from the National Exchequer—Sir John Struthers had, after hearing the evidence, to decide what the scale should be; but are not the two positions really fairly parallel?—Yes, quite; otherwise I should not be here.

269. I think, if I may say so, your argument is very pertinent and useful to us, but I am not quite sure that it takes us very much further than we were this morning?—Those scales being laid down by the Scottish Education Department, really carry Government sanction, because the head of the Scottish Education Department is the Secretary for Scotland, and anything sanctioned by the Department is sanctioned by him.

270. I think the Committee will be doing what will be fair under the circumstances if we forward, as soon as we can, a transcript of your evidence to Mr. Munro and ask him if he would like to appear before us to offer any comment upon it. You would not, of course, object to that?—My point, which, I hope, will not be mistaken, is that I should not like the case of Scotland to go by default. That is why I spoke to you this morning. Therefore I would like you to give the writer of this letter and those whom he represents the opportunity of putting before you such evidence as they can produce. I have not so much given my attention to producing evidence here, as to simply explaining the position.

271. I think that is quite a fair request. On the other hand, I think you may take it from me, speaking on behalf of the Committee, that as I see it, they will

† See Appendix 5.

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[Continued]

lose nothing at all if they simply send us any document or quotation from documents. I think I may say quite for certain that they would not add to the weight of the case which you have indicated so well, by troubling to come here?—I quite understand that: simply that they will have this opportunity, and it will be for you to decide, in the very unlikely event of some important omission or other thing from the documents, that you would like to see somebody.

272. If, when I see the documents, I see that some point is made which requires amplification orally, I would not consider that they had lost their chance of giving that simply because they were not here at a particular time. We must have whatever you want to send, as quickly as possible?—I quite agree. Now I have finished if there are no questions to be asked.

Sir William Joynton-Hicks.

273. Do you represent the Scotch teachers here?—I am speaking for them with absolute authority.

274. Because I was rather impressed by the statement of an hon. Member the other day who is a great Scotch authority, that the Scotch teachers were in favour of the Bill, except the very lowest class of teachers. Is there any truth in that?—Well, I leave it to that hon. Member to define what he meant by his expression.

275. Do the Scotch teachers generally accept that statement?—No.

276. It was made by an hon. Member, who told us in the House that he represented more teachers than anyone in Scotland?—That is not quite germane to this, but it is quite interesting. The Scottish teachers are, to a larger extent than in England or Wales, owing to their historic educational system, graduates of universities. Among the constituents of that hon. Member and myself, there are, perhaps, 5,000 or 6,000 graduate teachers, but outside the graduate teachers there are, perhaps, 20,000 other teachers to be considered.

[Chairman.] Thank you.

(The Witness withdrew.)

(Adjourned to to-morrow morning, at 10.30.)

Friday, 26th May, 1922.

MEMBERS PRESENT:

Mr. Acland
Mr. Rhys Davies
Mr. Grant
Mr. Holman Gregory

Sir Ellis Hume-Williams
Sir William Joynton-Hicks
Mr. Spoor
Colonel Stephenson.

THE RIGHT HON. F. D. ACLAND IN THE CHAIR.

Mr. CHARLES WILLIAMSON CROOK, recalled and further examined.

Chairman.

277. Mr. Crook, I understand you have some documents you would like to put in?—I have one document† which I referred

to in my evidence, if I may be allowed to put it in.

278. If you please. Will you hand it in?—Yes; I do not think I need read it.

279. No, we will look at it carefully?—I have marked the important paragraph.

† See Appendix 3.

(The Witness withdrew.)

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Mr. G. D. DUNKERLEY.

[Continued]

Mr. G. D. DUNKERLEY, called and examined.

Chairman.

230. You were Joint Secretary of the Secondary Committee, which considered the position of the secondary school teachers. Could you tell us what your position and career have been, apart from that?—I have been a secondary school teacher from 1895 to 1919. For seven years I was second master of the Watford Grammar School, acting headmaster for part of the time. I have been connected with the Association of Assistant Masters in Secondary Schools for something like 18 years. I am a former chairman and I am now the secretary of that association.

281. Do you agree that the procedure which we have adopted, namely, getting the main evidence from Sir James Yoxall, and asking yourself and others to supplement it, gives you a fair chance of putting your case?—I quite agree; in fact I think you will find that three of the extracts in that evidence were supplied from the Secondary Committee through me.

282. I would ask you to do two things, if you can so arrange what you wish to put before us: first, to bring up, if you wish, any new points which you think have not yet come before us, and, secondly, if you wish, to emphasise specially any points that were made?—I have no new points to bring forward; I am in entire agreement with the general evidence as put forward by Sir James Yoxall, Mr. Cholmeley, and the other witnesses. There are, however, one or two points which I should like to amplify, and perhaps put forward in a somewhat different way. The Secondary Burnham Committee, that is, the Standing Joint Committee with reference to secondary school salaries, was constituted on the 4th May, 1920. It reported on the 20th October, and it was only accepted by the secondary assistant masters and mistresses, after considerable persuasion, in the early part of the following December. Most of the secondary teachers were expecting a very much larger scale than the one given. We, who had to obtain a decision from the teachers, had to use the argument implied in Mr. Fisher's words "total financial effect"†; and it was only by the use of that argument that we did get a very clear majority accepting those scales. We used that argument without the slightest thought that there was any possibility

that the superannuation arrangements would be subject to review, at any rate at such an early date. The second point is that relating to existing pension schemes for certain secondary school teachers. This has already been mentioned in detail, but what is not quite so clear is the fact that if the Superannuation Act of 1918 is modified in the direction of being made contributory, then those teachers whose pension rights were previously definitely covered by insurance policies have given up those rights acting on what they regarded as an implied pledge of the Government, and they have, therefore, given up those rights which Parliament would, as a business matter, insist on being carried out and which I think they could sue upon, for the pension rights set up by the Government which can be curtailed or withdrawn without any redress.

283. What is it that actually happens with regard to the old schemes? They were insurance schemes, I suppose?—In a large number of cases.

284. In the main; I will talk, therefore, about insurance schemes which, I think, constitute the majority. I suppose when they were abandoned there was a choice between the teachers continuing them, as they seem to have done in the case which I happened to have in my hand yesterday, on their own, without any further contributions from the governing body of the schools, or abandoning them, and thereupon receiving such surrender value, if any, as was agreed to be surrendered by the companies with which they made the arrangement?—Yes.

285. Was it a case that most of these schemes provided for a fair surrender value?—I should imagine that most schemes did provide a fair surrender value.

286. I am wondering what actual financial loss, if any, teachers suffered by surrendering the existing schemes. Of course, they gained with the Government scheme?—The actual contribution by a teacher under one of those schemes would be much less than a 5 per cent. contribution on salary as contemplated in this Bill for equivalent rights.

287. For the same benefits?—Yes, for the same pension rights.

288. You mean to say that if you take a teacher of a certain age, and if you assume that the 5 per cent. contribution from salary is going to continue in one

† See Qs. 836-840.

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Mr. G. D. DUNKERLEY.

[Continued]

form or another from now till the time that he retires he would have received similar benefits for less money?—Less contributions on his part.

289. For less contributions on his part than he may have to-day if, as I say, the 5 per cent. is continued?—I do not think I could put it better than that.

290. A great many of those schemes were definitely abandoned when the Act of 1918 was passed?—Yes, I do not know of any which were not abandoned.

291. We are dealing with them and therefore the matter, from your point of view, is not covered by the fact that local pension schemes are safeguarded by Clause 3 of the present Bill?—I do not think they are safeguarded in that respect; they may be, but it is not clear.

292. At any rate, we might go into that later.—Another point is this. On page 3 of the evidence given by Sir James Yoxall, there are a number of extracts from the transcript reports of the meetings of the Standing Joint Committee, and it has been suggested that those extracts do not afford very good evidence of the fact that superannuation was considered in the constructive work in connection with the Report itself. There is really a good explanation as to that. The constructive work of the Standing Joint Committee was mainly done in panel meetings, the panel of the teachers and the panel of the authorities, who worked separately, and also on various Sub-Committees of the full Committee, on which representatives of both panels met. Now it was in those panel meetings especially, and in the Sub-Committees, that the existing superannuation rights were brought forward, and of course at those meetings there was no shorthand reporter and no regular transcript of the proceedings.

293. But apart from the panel meetings and the Committee meetings, the shorthand notes actually of the Burnham Committees, I think, run to nearly 3,000 pages and cover 54 meetings, some of which were two-day meetings; so there was a fair amount of time for the reference?—Yes, but I submit that the three mentions of superannuation brought in, as it were, accidentally and without any long explanation or reason why they were brought in, do afford ample evidence as showing that the discussions in what I may term the private meetings had been based to some extent on the superannuation rights.

294. There is no doubt about that; I think we must realise that if the mem-

bers of the Committees were in their right minds, as presumably they were, they must have had this fact in their minds all the time?—Yes. It was not quite so much having the fact in their minds as having the statement definitely put forward in the constructive deliberations.

Mr. Holman Gregory.

295. There was a very material Act of Parliament staring them in the face all the time?—Yes. I raise that point because Mr. Leslie's memorandum has been referred to, where he specifically mentions the Burnham Committees. I should rather imagine that he used that word somewhat widely, if I may say so, to include all the panel meetings and Sub-Committee meetings as well. There is just one other point: that is with reference to Mr. Fisher's speech, which is given in Hansard at page 312, volume 154, No. 62. There, I think, you will find that Mr. Fisher states that he had to review both the scales and the allocation in conjunction with the Chancellor of the Exchequer, and he says: "We came to the conclusion that we could not only not go beyond the scales, but that we could not go so far, and we insisted upon certain economies being introduced, economies which involve more than a million of money, and that is a material fact." Now, Mr. Fisher claims that he and the Chancellor of the Exchequer insisted on modifications of the terms agreed to between the representatives of the local education authorities and the teachers, sufficient to that extent. In taking this step, they must have had some very definite consideration in mind, and this consideration must have been, in general terms, at least, the remuneration which, after the adoption of the recommendations, the teachers would be getting, or it must have been the capacity of the country to pay. The two statesmen, one of them the Chancellor of the Exchequer, are not in the least likely to have judged these two points by taking account only of the salaries that the teachers were to receive, especially when there was in existence a provision involving liability to the State. They must have carefully considered both the pension rights and the salaries to be received, before they made that definite reduction of £1,000,000; and it does seem to us that that does bring in an implication, even though it may be only to a certain extent.

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[Continued]

296. Now let me put it the other way. It might have been argued that the arrangements, as seems to me at first to have been contemplated when the first Burnham Committee was set up, should be arrangements simply between the local authorities and the teachers, and that whatever the two panels agreed to should be the scales. You do not challenge the right of the Minister to become, as he did become, a party to the extent of causing the scales, or, at any rate, the steps by which the scales should become operative (what you call the carry-over) to be reviewed; and they were reviewed, with the effect that the contribution which would otherwise have been given by the Government towards the local authorities was reduced by a million pounds. I think there are indications that that review took place, because at that time the national financial position was such as to make it seem desirable in the minds of the responsible Ministers. You do not, I think, seriously challenge the right of the Minister and the Chancellor of the Exchequer, having no doubt in their minds at the time all relevant matters, including pensions, to have made that cut into the scale. That being so, if it is not argued as a breach of faith for the Minister then to have made this cut in the scales, can it be argued as a breach of faith when, later, national necessities having become meanwhile more insistent, a further cut is made, not, I confess, directly as a tax upon the salary, because the salaries were not an arrangement between the teachers and the State, but between the teachers and the local authorities, but as a demand for payment from salaries towards the State pension scheme?—I do not think that the two things, as you have put them, quite run together. In the first place, when the allocations were under consideration, there was always the possibility that the scales, as put forward, had to receive the definite approval of the Minister of Education. I could not in any way challenge that. This, however, comes later, when those scales had been adopted, not perhaps in their entirety, but had been adopted. That first review is, in our opinion, normal, at any rate, to some extent, as a review; but this is a later consideration with regard to pensions, which were not definitely mentioned when that review was made, but were evidently in the minds of those who made that review.

297. If I put it to you in this way: it is legitimate for the Ministers, when the Burnham Scales are adopted, to cut them to the tune of a million pounds because of national necessities; it is therefore similarly legitimate later on, the national position having grown worse, for him to cut them again: what is your reply?—I could only really repeat what I have said before. I think I have made it perfectly clear that the two cases are not analogous in that way. I have no further point, Sir.

Sir William Joynson-Hicks.

298. I suppose you would admit, in any case, that at the end of the 1923 and 1925 periods, the whole salaries are open to revision or cut, if necessary?—Quite so; the agreement was till 1925.

299. That is quite admitted by the teachers' side of the case here?—It is quite admitted.

300. To carry the Chairman's question a little further, supposing, in the meantime, the exigencies of the country got much more serious, you would probably say that if it is admissible to cut 5 per cent., there is no reason why you should not cut 10 or 20 per cent.; the argument would be the same?—I think so.

301. If you could fairly, during this intervening period, cut 5 per cent., you would be bound to admit that equally fairly you could cut 20 per cent.?—Always taking it for granted that you are speaking not of the original review.

302. There was no reason why this Act should have limited itself to 5 per cent. if it was within the terms of any alleged contract, that it could just as soon have made a 20 per cent. cut as a 5 per cent. cut?—I take it that that is the position that is taken by the Government. It is not for us to say whether that is right or wrong. That is the Government's position.

Chairman.

303. You would say it is not a question of figure; it is a question of principle?—It is a question of principle with us.

304. You would say it is a breach of faith to make any cut?—That is the point. I am not going to say it is an absolute pledge; I do not maintain that at all.

305. A breach of an implied pledge?—A breach of an implied pledge.

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Sir William Joynton-Hicks.

306. Perhaps it is not quite pertinent, but from something you said in the earlier part of your statement with regard to the cost of these pensions, may we take it that on a flat rate such as is now proposed, what really takes place is that the younger teachers pay for the older teachers' pensions?—I am afraid I should not like to venture into those actuarial principles quite so definitely as you suggest.

Mr. Holman Gregory.] It is not only confined to that. The persons who die early help to pay for those who live longer, and there are many other considerations.

Sir William Joynton-Hicks.] I think it is clearly so.

Sir Ellis Hume-Williams.] That is inevitable in all superannuation schemes.

Mr. Grant.

307. I do not know whether you can give us any actual evidence as to the old schemes being more remunerative and cheaper than 5 per cent.?—No. I did try very hard last night to get figures on that point, but although I got figures of individuals, I decided I would not care to put those before the Committee.

308. It seems important, from your point of view, to prove quite clearly by figures that in surrendering an old scheme and having a contributory scheme imposed upon you, the actual result is detrimental to the teacher?—I think you may put it this way. Under the Government scheme perhaps we will say that the cost is 5 per cent. under an insurance policy; even if you say the cost was 6 per cent., there may be only one-third of that percentage paid by the teacher, so that he would be getting his pension rights for 2 per cent. Those teachers who have given up the pension rights which they should get for that, say, 2 per cent., are now having under this Bill, to pay 5 per cent. and probably for almost identical rights. That is the point—that it may have been a one-third contribution they were paying and they have stopped that one-third contribution, and now they are supposed to pay three times as much and they have no chance of going back to the old scheme.

Chairman.

309. You are referring all the time not to the change which may now be made, assuming that the present Bill safe-

guards local pension schemes, but to the change which was made in 1918?—Exactly: the rights that were done away with.

310. And cannot now be revived?—Cannot now be revived, owing to the Teachers' Superannuation Act, 1918.

Sir Ellis Hume-Williams.

311. Does it come to more than this: that at the earlier time of which you speak, teachers had to make a contribution?—A small contribution.

312. A small contribution. Now they are called upon to make a more substantial contribution, to which they more largely object?—Since they are forced to do so because they gave up the previous scheme on account of the Superannuation Act itself.

313. But can you put it as high as this: that they gave up their previous scheme upon the understanding that there should be no further contribution imposed upon them?—I certainly think that was in the minds of the teachers all the time.

314. You cannot put it higher than that?—I cannot put it higher than that.

Chairman.

315. I like to put it for you as high as can be put, because I think the more we get the best of both cases, the easier it is for us. You would say that it was very definitely in the minds of the teachers that the new scheme would be non-contributory from the fact that Mr. Fisher, in introducing the 1918 Bill, had taken great care to make the strongest possible argument, which he had done extremely well, against the possibility of any contributory scheme?—Yes.

316. And therefore they were bound to consider that the non-contributory scheme would continue?—Yes. I would put it a little stronger than that. I should say that these teachers would regard it as a definite offer.

Mr. Rhys Davies.

317. You said something about the total financial effect of the Burnham scales?—And pension rights.

318. What I am anxious to know is this. Did the teachers, in arriving at the agreement regarding the Burnham scales, consider that a pension scheme already in operation, fell, if you like, in the same category as wages during holidays and wages during sickness?—The

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way we treated that, as getting our equivalent emoluments of teachers, was to add on the pension rights in a lump sum to the figure of the Burnham scale itself; so that we got a total financial effect as regards the teacher from the two headings.

319. But supposing, for instance, a local authority, if you like in conjunction with the Government, proposed to teachers to take the line, as has been suggested on more than one occasion, that wages during sickness would not be paid to the teachers in future, would you regard a proposal like that as breaking faith with the teachers in exactly the same way as you say now that the Government is proposing to break faith in connection with the pension scheme?—No, that is quite a different matter. That agreement with the teachers, which includes an agreement as to sick pay, is a definite agreement signed by the teacher on the distinct understanding that it is subject to two months or some equivalent notice.

320. Let me carry it a step further. The Burnham Scales are four in number. Supposing a local authority had adopted Scale 3 in the provinces, say, and that Scale 3 is presumably to run to the end of the Burnham recommendations period, supposing that the Government thought the exigencies of the time demanded that Scale 3 should be reduced to Scale 2 during the first year, would you regard that proposal as breaking faith with the teachers?—You are asking me a question there which is in connection with elementary scales. If you would transpose your question, if I may ask, with regard to the secondary scale, I could perhaps give a much clearer answer.

Chairman.

321. Is that a question which you could answer?—I should prefer it put with regard to the secondary scale, if I may say so.

322. Assume that my colleague had asked a corresponding question having a corresponding purport, with regard to secondary teachers?—The purport there would be that the secondary scale should be definitely cut by the local authority to something lower than the scale.

Mr. Elys Davies.

323. There is only one scale for the secondary?—Yes. I should say at once that was a breach of faith on the part of the authority.

324. And would fall into the same category, in your view, as the proposal now made with regard to pensions?—The two cases again are quite dissimilar.

Mr. Spoor.

325. I suppose you would discriminate between salaries and pensions so far as this pledge is concerned; I mean, a definite agreement was entered into that runs up to 1925, so far as salary is concerned. That is an actual pledge?—That is an actual pledge.

326. But you believe that that pledge was entered into because another pledge was implied?—Quite so. I believe (at any rate I speak for the teachers' panel) that we always calculated pensions and the pension rights when we arrived at those figures and signed that agreement.

327. I suppose you would also agree that there is tremendous need for economy, and the Government have to economise somehow?—That is a question on which we are not really giving evidence.

328. But obviously, if they wished to economise, it was impossible to economise on the salaries; they could not break the actual agreement; and you believe that that agreement is really bound up with the superannuation?—I do not see how anyone who went through the deliberations of the teachers' panel could think otherwise.

329. I can quite see your point of view, and Mr. Fisher himself admitted more than once that it was distinctly in the mind of the Government when they finally accepted the revised scale; but as he says somewhere, if it was in their mind at the time, it did not necessarily bind them for always. You argue that it binds them until 1925?—I argue that at any rate an Act of Parliament which makes very grave changes with regard to the financial state of the teachers, should have some binding effect for a certain length of time.

330. Do you believe that if this is persisted in by the Government it will seriously impair the education position of the country? We quite understand that it will cause a lot of ill feeling and so on, but do you think it will seriously impair the education position?—It must have its effect upon the entrants into the profession. It must have an effect in proportion to the definite amount that is to be taken away. If you take 5 per cent. of a £300 salary, what does it come

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to? It comes to a drop in salary of £15. That is a considerable item on £300 as a prospective salary.

331. Sir James Yoxall told us yesterday that there was a considerable shortage at present in the teaching profession, and you believe that that shortage would be actually greater?—I believe that a large number of secondary school boys who have been attracted lately into the desire to take up the profession would reconsider their decision. My own experience as an assistant master was that in the earlier stages, in what I may term the higher forms in a school, a number of boys did consider taking up teaching; some even went so far as to take some of the opportunities offered by the Governors with a view to undertaking teaching, but since they began to know and to compare notes, the majority of them have backed out of those agreements. Now lately there have been a larger number of boys continuing in their desire to become teachers. I say that a large number of those would reconsider the matter if one of the very big attractions is taken away. Undoubtedly the average parent of a secondary school boy will realise that the Civil Service pension is a very great thing; there is a safeguard there for life at the back of the boy who is going into the Civil Service. And it has more than money value. The same argument has been used in the case of the secondary school boy lately, and that argument will be lost, and to that extent it must interfere with the flow of entrants of the secondary boys. I may say, too, that I think it will tend to injure the faith of the boy.

332. It was stated in the House, during the course of the Debate last week, that the contribution that this 5 per cent. would amount to would actually exceed the amount paid in pension in the course of the first year?—Yes.

333. Is that so?—I believe that to be so.

334. I believe, if I am right, that it would exceed it by somewhere about half a million?—I should not like to give the figures without reference.

335. It is £800,000, I understand. How long would that go on? That would be a diminishing quantity, of course?—I am afraid I have not got the statistics with me to answer that.

Chairman.

336. I just want to put one thing right. We have been using a phrase to-

day, and to some extent yesterday, which, if it obtains currency, will be used with a wrong reference and a wrong application; and I should like to get it put right at once. You have quoted the words, "the total financial effect," as having been used by the Government or by Mr. Fisher as if they implied both the salaries and the pensions. Now those words are taken from a letter of the 28th June, 1921, from Mr. Fisher to Lord Burnham. That is the only place in which I can find them used. I think that is where you take the phrase from. Mr. Fisher writes thus: "In my letters of 'so-and-so' I stipulated that my acceptance of the Committee's recommendations must be conditional upon my being satisfied upon a review of their allocation of scales that it" (that is, their allocation) "was proper and reasonable, regard being had not only to the relevant circumstances in each area, but also to its total financial effect." That is, the total financial effect of the local authorities' allocation of the scales. I find nothing in those words to suggest in any way that anything else was in Mr. Fisher's mind than the thing to which he definitely refers, "the allocation of scales by the local education authorities."—I do not want to read into Mr. Fisher's words any other meaning than what he intended. In my first point I used those words, and I followed by giving the meaning which we always held to those words.

337. I put it quite definitely to you. Can you now hold, having been reminded of their context, that those words can in any way be suggested as referring to or covering the pensions?—Not in those words, and with that context.

338. Were the words to your knowledge used in any other context and connection? If not (because, after all, you and Mr. Fisher have to live together somehow after we report, as well as before) had you not better stop quoting that phrase as if it referred to anything except what clearly it refers to—the allocation of the scales by the local authorities?—I have no desire to refer to it in any other way but that, in connection with Mr. Fisher.

339. But if you use a phrase which is quoted, you ought to have regard to the context from which you quote it. Can you claim that that phrase, being a quoted phrase, had reference to anything except the mere question of allocation of scales?—I can only hold, on that letter,

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that the words quoted in the letter referred to the text in that letter.

340. Then if you use the phrase, "total financial effect," you will please, in future, do it without implied quotation marks. If you use it as in any way covering the pension scheme, you ought not to use it as if it was a phrase quoted from Mr. Fisher; because the only time he uses it he clearly does not use it to cover pensions at all. That is my only point?—Yes, I think you have made it quite clear, Sir; and I hope I have made it clear, too, that those words are in our

sense quite different. The context is quite clear there.

341. What I have noticed is that you have been inclined to use those words as if they were a quotation from Mr. Fisher?—I did not intend that.

342. So long as that is clear, I am quite satisfied. I do not want there to be on record any claim on your part which is not a strictly fair one; and to use that phrase from Mr. Fisher as if it implied any reference to pensions would not be fair. That is all?—Yes.

Chairman.] Thank you very much.

(The Witness withdrew.)

MR. P. ABBOTT, called and examined.

Chairman.

343. You were a member and spokesman of the Teachers on the Third Committee, which is the Committee having to do with salaries of teachers in technical schools and institutes?—That is so.

344. Will you tell us briefly what your further position is?—I have been for 27 years on the staff of the Polytechnic, Regent Street, first as assistant master in the secondary school, afterwards as head of the mathematical department, which had to deal with technical work, and for the last three years as headmaster of the secondary school.

345. You understand our procedure, and you agree that it gives you a fair chance of putting your case?—I quite agree.

346. And you understand that I would like you first, if you please, to make any new point, and then to emphasise any point that you wish?—Yes. I feel that on most questions there is little for me to do except to corroborate the evidence given by Sir James Yoxall and Mr. Cholmeley; but there are one or two points in which the position of the technical teacher is slightly different from that of the elementary and secondary, and I have no doubt the Committee would like to know the whole position. In the first place we came very late into the field. The Third Burnham Committee came into being in December, 1920, and its report was issued in July of last year; that is 10 months ago, or, we might say, eight effective months from the point of view of the consideration of the report. The consequence has been that the putting into operation of the report by the local education authorities has been very slow, and, unfortunately for the technical teachers, it coincided with that

period of financial stringency which has been apparent lately, and the technical teachers consequently have come very badly off. In the second place, unlike the secondary and elementary teachers, there are considerable classes of technical teachers that were not dealt with at all in the report. The position was so complex that the Committee could not recommend national scales; and it was left to the local education authorities, in conjunction with the teachers, to formulate scales for those classes of teachers. The consequence has been that, as I say, owing to the difficult economic position, in many cases the local education authorities have not dealt with those scales at all, and in other cases they have been delayed owing to the fact that the assent of the Board of Education had to be given to certain classifications and gradings and scales, and consequently many of the technical teachers are in the somewhat invidious position that they are called upon to contribute to pensions, the contribution being levied because of an alleged over-generous scale of salaries which they have not got at all.

347. You have had to wait a very long time, I agree, but presumably in most cases some interim arrangement with regard to bonus or something of that kind was made. Was that so?—In some cases, but not in all.

348. Do you mean to say that there are any considerable number of cases in which teachers in technical schools and institutes have really remained on the same salaries throughout the war, and now have only got their chance of an increase when, I agree with you, the full tide of national economy has set in, and when, therefore, their new scales are heavily discounted by that fact?—That is true in

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some cases, but not generally. The procedure has been very widely different throughout the war. Generally speaking, one might say that in about 1918 or 1919, there were some changes. Since then there have been interim payments in certain cases, such as in London for example, those interim payments being subject to adjustment when the new scales came into operation. But many teachers have not got the new scales; they are still receiving the interim payments and they do not know where they stand.

349. You would say that in quite a number of cases what happened was that your colleagues have been receiving interim payments of a provisional and temporary nature, in no way corresponding with the increase in the cost of living or with the proportionate increases that were made on the salaries of the London teachers, until now, when the matter is settled on a general scale, without any detail, at a time when things are very unfavourable towards generous treatment of public servants?—Quite so, and we have been definitely told by authorities that, but for the difficult economic position, the scales would have been better. So that we are already suffering from the financial stringency.

350. And you claim, therefore, that it is especially hard lines that, your salaries having been practically settled within full view of the great stringency affecting the position of local authorities and the State, you should be required to make the 5 per cent. contribution?—We do, but I want to be quite fair, and to state that that only applies to certain classes of teachers. There were some classes of teachers whose basic scales were taken bodily from the second Burnham report; for example, certain graduate and non-graduate scales; but in addition to those we have large classes, such as instructors and heads of departments and special posts, which were not provided for in the Burnham report; so I want to be quite clear that the case of hard lines does not apply to the whole bulk of teachers, but to certain classes.

351. While agreeing with you, as I do, about it being exceptionally hard lines, as you say, on certain classes of your teachers, does that in any sense constitute an implied pledge that this action, which I agree is hard, should not happen?—That in itself does not constitute an implied pledge nor does it bear upon it; it simply means that we have a double dose of reduction, if I may say so.

352. A double dose of bad luck, but not a double dose of bad faith?—One dose of bad faith and one dose of bad luck.

353. I think I see the point. I think you have made a good point about bad luck.—The other point I am not specifically dealing with. As I have said, I agree with all that has been said by Sir James Yoxall. Might I be allowed to make one point which has already come up in the course of these discussions? That is concerned with the transfer from the scheme to another when the Superannuation Act of 1918 came into operation. I would like to submit that the very fact that the Act provided for that transfer and compelled teachers to give up one set of pensions before they took advantage of the new pensions, implied on the part of Parliament that the new scheme which they were invited to take up was a permanent scheme. Might I illustrate that by mentioning one case. We had, in London, a scheme which was organised by the City and Parochial Charities Foundation. They organised a scheme by which they paid 5 per cent. of the salaries of all teachers in Polytechnics towards endowment policies, on condition that the teachers, themselves, also paid 5 per cent. When the Act came into operation the teachers were faced with the situation of either giving this up or of not taking advantage of the new scheme, and I have, myself, a very vivid recollection of many of the teachers coming to me for advice in the matter. I may say that these endowment policies are rather favourably considered by many teachers, because there is a certain elasticity about them, and there is also the fact that their wives receive full benefits; some teachers were very reluctant to give these benefits up; I had no hesitation in recommending that they should give them up, because I pointed out that there were very many benefits under the Act which they should take advantage of. But my point is that if Parliament requires the teachers to give up one set of pensions in favour of the one which they institute, the teachers are entitled to consider that what they are invited to take up is a permanent scheme and will not be altered in principle.

354. I have two points on that. First of all, were the teachers required to give up the old pension scheme? I imagine not, though it would have been, of course, very unlikely that they would choose to continue these schemes that you

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have mentioned to us, paying on their own account the whole of the 10 per cent., but I imagine there was no requirement that the old scheme should be given up. It was only natural that if the new scheme was adopted the old would be given up. That is the first point, you agree?—Yes.

355. The second point is this. Would you argue that the scheme that you have referred to with a 5 per cent. contribution from the teacher and 5 per cent. from the institution concerned was on the whole—it is difficult to compare scheme with scheme, but was on the whole more favourable to the teacher than the non-contributory scheme which is adopted in exchange for it?—No, I would not.

356. I want you to look at the precise point. I am not thinking of the contribution now; I am thinking of the scheme. Because if the old schemes, with their greater elasticity and their provision for widows, and that sort of thing, were more favourable than the new, scheme for scheme, a teacher can argue that he has been erroneously induced to surrender one scheme which would have cost the same as apparently the new scheme is going to cost him, namely, 5 per cent. of his salary, and that by that action he has been put in a worse position. Now, scheme for scheme, do you argue that those schemes you refer to were better than the present scheme?—I take it you mean by the words "scheme for scheme" a comparison between the endowment policy scheme and the present scheme under the Act.

357. Purely on benefits, without taking the question of contributions into account; because clearly, from what you have said, the contributions were 5 per cent. under those schemes that you have referred to, and may be continued at 5 per cent., the present figure proposed under the new scheme?—Putting the question of contribution out of mind altogether, opinion is divided. I say there are a considerable number of teachers who would prefer the old scheme; there are others who would prefer the present scheme.

358. At any rate, there are some teachers who, if they find that they are asked regularly in future to contribute 5 per cent. of their salaries towards their pensions, will say that from their point of view the old 5 per cent. schemes were more favourable to themselves and

their families?—Precisely; that is my point.

359. But that is not universal?—That is not universal. But those teachers do think that the Government will have broken faith with them if there is any alteration of the contribution. I have one more point. The question of recruitment has come before the Committee, and I would like to mention how that affects technical teachers. A great deal of recruitment of technical teachers is from industry, and there is a certain amount of inter-flow between industry and the teaching profession. During the war the highly trained skill of many technical teachers proved a very great asset to the nation, and I think, perhaps for the first time, industry and manufacturers discovered the value of the technical skill of many of these teachers. At the close of the war for the first two or three years many of those technical teachers had chances which never came to them before, and probably will never come to them again. Industry had discovered their value and offered them advantages to enter into industry. Now in accepting those offers the question of the pension played a very important part. Perhaps you will allow me to illustrate that by a specific instance which I know pretty well. There was one very distinguished teacher who had played an important part in the war; he was offered a post as the director of a very important research association, and he was offered a salary which was considerably in advance of the salary he was obtaining in teaching, and that was a good one, because he was in a high post, but he put it to the research association that, although the salary was good, he would be surrendering his pension rights under the Act. The association in question were so impressed about it that they actually made an actuarial valuation of his pension to consider whether they would offer him a lump sum to be equivalent to his pension, calculated upon a non-contributory basis; but calculated upon a non-contributory basis the sum was so large that the negotiations fell through. That illustrates the way in which technical teachers have been affected by the permanence or non-permanence of this scheme; and they consider that the change in the scheme now, after these chances in industries have vanished, would, from that point of view, be a breach of faith.

360. Your point being that there are actual instances of men who have had

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good offers of positions, and who, by reason of the existence of a pension scheme, which they had every reason to think would continue to be non-contributory, have not taken those advantageous offers?—That is my point.

Colonel Stephenson.

361. In answer to a question just now put by the Chairman you made a statement that Parliament had obliged teachers to withdraw from their old pension schemes?—In order to take advantage of the new.

362. Can you explain to me why it was necessary for them to withdraw from the old pension schemes in order to take advantage of the new one?—I take it you want me to explain the reasons why Parliament required that.

363. You said Parliament required them to do it. I want to know in what Act of Parliament that is stated?—It is stated in the Superannuation Act, 1918, Section 14.

364. Can you tell me where it says what is to happen to him if he does not withdraw?—I think it is in the second paragraph of that section.

365. He had the opportunity of continuing in his own or coming into the new one. He could not have them both. That is the point?—Yes.

366. But you are not able to say, even if the pension scheme is put on a contributory basis, which was the better?—That is so.

367. You are not able to say that now?—No.

368. You have no opinion on that point?—In some respects the older pension was better.

369. On the ground of elasticity?—Yes.

370. But not on the ground of pounds, shillings and pence, was it?—That is difficult to say, because of the death benefits.

371. But you would not put it so far as to say that the fact of the contribution or without the contribution would make the difference between making it better or worse?—It might in some cases, and not in others.

372. You cannot say that it would make it so much worse as to spoil the bargain, so to speak?—No.

373. Then some question rather arises on the matter of these offers that you say have been refused on the ground of the value of the pension scheme. There again, you would not like to say that because this contribution of 5 per cent. has been demanded, that would make

much difference to the decision in those cases, would you?—I think I would. I would say this: that the teachers were very reluctant to give up a non-contributory pension scheme. There would not be quite the same reluctance to give it up where there was a contribution from the salary.

374. You think it would be a deciding factor?—I think it would be an important factor, as it proved in one case that I know of.

Mr. Holman Gregory.

375. You made use of the words just now, "dose of bad faith." When do you suggest the dose was administered?—I do not suggest it has been administered yet.

376. It is proposed to administer it?—It is proposed to administer it.

377. What is the bad faith that you are alleging?—I am alluding to the words which have been used throughout the evidence: bad faith in respect of making the pensions contributory instead of non-contributory.

378. Bad faith means the breach of something, I gather, the breach of some undertaking?—Yes.

379. What undertaking are you suggesting is being broken?—The implied undertaking which has been mentioned throughout this evidence.

380. What implied undertaking?—Of keeping the Superannuation Act on a non-contributory basis.

381. When was that implied undertaking given?—I take it that it was basic to all the negotiations which went on in the Burnham Committees.

382. When was an implied undertaking given? Are you suggesting that the Act of 1918 should not be amended? Was it at the time of the passing of the Act, or at a later stage?—I should say it was continuous from the passing of the Act right onwards.

383. And down to to-day?—Down to to-day.

384. Does that arise out of the fact of passing the Act, or something that happened after?—Out of both.

385. I understand what you say about the passing of the Act, but what has happened since?—The proceedings in the Burnham Committees and the sanctioning of the scales of the Burnham Committees by the Government in full knowledge of the fact of the Pension Act.

386. I only want to ascertain what is really at the back of your mind. That

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Mr. P. ABBOTT.

[Continued]

is my object in asking you questions?—I may say that I do not want to press the word “does”; that came out unexpectedly.

Chairman.] It was my word.

Mr. Holman Gregory.

387. One is not suggesting at all that you are using improper language or anything of the kind. As I understand it, the effect of your evidence, put shortly, is this: “The Superannuation Act of 1918 was passed, creating a non-contributory scheme of pensions. We believed, and had cause to believe, that the provisions of that Act were to be more or less permanent.” That is the first point, is it not?—Yes.

388. And I gather from that, you want to assume an undertaking that it was to remain permanent?—That is so.

389. That is your first step?—Yes.

390. Now, subsequent to that, the representatives of the local education authorities and representatives of the masters and teachers met together to try to agree a scale of salaries, and you had before you and in your minds—I do not think there can be any doubt about that—the provisions of the Superannuation Act, 1918?—Yes.

391. And with the influence of those provisions upon you, you arrived at an agreement with regard to the scale. That is your position, is it not?—Yes, up to that point.

392. Is there anything else since then?—Yes.

393. What?—Those scales were not operative, and could not be operative, until the assent of the Board of Education had been given to them.

394. I follow that; you are quite right. And at a subsequent date those scales were assented to by the Board of Education?—And if they had not been assented to, they would not have been in operation.

395. Quite right. Now is there anything beyond that?—Nothing beyond that.

396. To put it in plain language, there was no express undertaking?—No, I quite agree.

397. And the facts that I have just mentioned to you, you say amount to an implied undertaking?—Yes.

398. That is the position?—That is the position.

Colonel Stephenson.

399. I do not know whether it is worth while my asking a question I put to a previous witness; that is, if the two things were taken together, the pensions and the Burnham Scale, how is it that the Government equally pay grants to the local authority, who do not pay the Burnham Scale, where the joint results are not uniform?—I am afraid I have not quite grasped the point of your question.

400. You are trying to make out a sort of organic connection between the superannuation scheme and the Burnham scale of salaries as approved by the Board of Education, on which the Board of Education say they would pay grants to local authorities?—Yes.

401. If there is that organic connection in order to produce a joint result, how do you account for the fact that the Board of Education pay grants to the local authorities who do not recognise the Burnham Scale, who pay below it, and where the joint results are manifestly not obtained?—I take it because the Board of Education have no mandatory powers with regard to local education authorities.

402. But you see that suggestion of an organic connection between the two breaks down?—No; there is an organic connection.

403. Is not that the whole point of the organic connection between the two: that one is dependent upon the other?—There is an organic connection, but there is no compelling power behind the Board of Education.

404. Then a breach of faith has already occurred in regard to 17 per cent. of authorities?—Yes, but the breach of faith there lies with the local education authorities, in the first instance.

405. But they were the people who agreed to the Scale, and the Board of Education was only an approving factor in the matter?—The great majority have, but there are still a few in number, as Sir James Yoxall pointed out yesterday, who have not yet agreed.

406. But the whole of the scales was an agreement between the teachers and the local authorities, not between the teachers and the Board of Education?—The agreement was between certain associations and the local authorities, and those associations have no mandatory powers over all their members.

407. But the organic connection evidently was not present to everybody. That is quite obvious.

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Mr. P. ABBOTT.

[Continued]

Chairman.

403. There is just one remaining point on which I think I have myself been going slightly astray, and on which I think possibly some of the witnesses have been a little astray, too. That is with regard to the possibility of the schemes, which were abandoned when the Pensions Act of 1918 was passed, being materially better than the benefits of the new scheme under that Act where a contribution of 5 per cent. towards those benefits is asked for. I understand that it is proposed under the Bill before Parliament not to give the teachers the option of reviving the old schemes, which is, I think, for obvious reasons impossible—they have been surrendered, and so on—but to compensate if it can be shown that the scheme they have given up is, presumably on a general actuarial examination, found to have been more favourable than the present scheme will be with the contribution. Does not that affect the argument (which is really the teachers' argument) that there was an element of consideration given in that matter when the Act of 1918 was passed, namely, that more favourable schemes had been surrendered and that, as consideration in that matter was definitely given by the teachers, it is an implied breach of faith to go back on the arrangement. As a matter of fact, I have rather carefully refrained from reading the Bill, so that I should get no ideas

as to its justice or injustice, but I gather that is provided in the Bill?—Yes, but of course it is very difficult to make comparisons on this.

409. I agree that it is very difficult, and it is very difficult to compare the benefits of a scheme which is rather on a different basis, with those of another scheme which does not contain certain elements; but still, the new Bill, as I understand, professes to enact that compensation shall be given?—Yes.

410. And presumably that means that the persons who are responsible for putting forward that proposal are satisfied that you can arrive at a fair actuarial comparison between one scheme and another?—May I put a special point from our position which illustrates the difficulty. It is exceedingly difficult, in the case of technical teachers, to determine in some cases whether they are going to have pensions at all or not, because it is difficult to tell, and they do not know until they come to retire, whether certain service is recognised service or not. We have had definite instances of teachers who have retired quite recently who imagined that they were going to get pensions, but when the time came, the Board of Education would not recognise certain service, and no pensions were obtainable. Under the old scheme there was no such difficulty; they got all their service allowed.

Chairman.] I am much obliged to you for your evidence.

(The Witness withdrew.)

Sir JAMES YOXALL, recalled and further examined.

Chairman.

411. I would like here to make it clear that we gather that the Bill does not apply to Scotland, and therefore I think probably the Committee will make no report on the special reference to Scotland; but it seems to us possible that we may avoid giving the Government and Members of the House the trouble of having another Select Committee with regard to the position in Scotland, if we do include in our evidence that given on behalf of the Scottish teachers yesterday, and any reply or comment which a representative of the Scottish Office may make on Monday. Then with regard to giving opportunities of rebuttal or discussion on anything which may be alleged by Mr. Fisher, or others, in reply to the case

which has been made by the teachers. Sir James Yoxall and his colleagues will know that nothing in the nature of a cross-examination of parties would be in order before a Select Committee; but I suggest that the way that we could accomplish all that is desirable would be this: that if Sir James and his colleagues, who would, of course, have a right to be present on Monday, like to send up to me in writing, or to suggest to the Clerk to the Committee for my consideration, any questions which they would like in their own interests to have put, or would send up any documents which they would like me to refer to witnesses such as Mr. Fisher, I shall see that that is done on their behalf. You probably agree that that is reasonable procedure, Sir James?—Yes. May I say a word?

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Sir JAMES YOXALL.

[Continued]

412. Yest—It is not evidence, but a request. I quite acknowledge the wisdom of the course you have now proposed, but it might be necessary for us to ask you to allow us to put in new evidence, not merely in the form of documents placed in your hands or questions for you to put to other witnesses; but when the witness is completely finished (not during the course of his evidence), it might be necessary to ask you then to hear us again upon some points that have emerged during the evidence of the intervening witnesses.

413. A request of that kind would of course be quite in order, and we should consider it; but we would see whether we

can deal with the matter to your satisfaction on the procedure that I have suggested.—I hoped that would be so; I only mention it now.

414. You understand that the first consideration in our minds is to do full justice to both sides?—We know that, Sir.

415. But the second consideration in our minds is that the House will adjourn on Tuesday, and that the Committee will probably not desire to have to make to the House a request that they might sit beyond the limits of this part of the Session. However, of course, the question of getting at a full presentation comes first?—If you please.

(The Witness withdrew.)

Adjourned to Monday next at 10.30.

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Monday, 29th May, 1922.

MEMBERS PRESENT:

Mr. Acland.
Mr. Grant.
Mr. Holman Gregory.
Sir Ellis Hume-Williams.

Sir William Joynson-Hicks.
Mr. Spoor.
Colonel Stephenson.

THE RIGHT HON. F. D. ACLAND IN THE CHAIR.

THE RIGHT HON. VISCOUNT BURNHAM, C.H., attending by permission of the House of Lords, examined.

Chairman.

416. Lord Burnham, it is extremely good of you to come, because we all feel that if it had been possible for the House of Commons to remit the decision of this question to one single person, not a Member of their own House, they would have wanted you to be that person, because you were accepted by both sides in negotiations in regard to salaries as a most acceptable Chairman, you stood outside any question of controversy between the two panels, and for a considerable time, at any rate during two or three years, you have had these matters very constantly in your mind. Therefore I am going to rely upon your help, if you will be good enough to give it to the Committee, more perhaps than you may think strictly fair, and I am going to ask you to consider the teachers' case. You have

read the evidence given on the first day?—I have.

417. During the week-end I have been trying to boil down that case into certain propositions. If I may go through these points I think it concentrates the teachers' case, and if you will give us any views that occur to you on the different points, it will be of the very greatest possible service to us. With regard to some of them you may say, quite naturally, that you were not concerned or do not care to express an opinion. I think that the teachers' case is not that there was an express pledge given really, but that a pledge was implied by taking into consideration an accumulation of facts. It is fair, in the teachers' interests, to lay before you really their case as it was made.—Might I, only by way of preliminary observation, tell you in one word

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[Continued]

as to the character of these Joint Committees over which I presided? They were, as the Committee knows, not Departmental or advisory Committees at all. As stated in the resolutions of the 12th August, they constituted a central organisation to secure the orderly and progressive solution of the salary problem, and it was understood that they were independent bodies. The other point is that they were expert bodies. Every member of either panel was well versed in all the features and conditions of the problem submitted. No witnesses were called or examined, nor was it necessary to do so, because every member had the fullest knowledge of the state of things existing in our educational system. As an independent Chairman I was not expert in the true sense, but I was so well informed as to the state of things that I too did not require to be specially posted up by any witnesses. As has been said in the evidence, they partook of the nature of Whitley Councils. In our procedure the custom was for a motion to be brought forward on the general principle at issue; and then on the several points which arose, and after the leading representatives of either panel had spoken, the debate was perfectly free, but was not as a rule prolonged, from the very fact that everybody present was fully seized of the various aspects of the problem. In custom I often summed up the discussion, sometimes made my own recommendations, but always drew attention to the principal points at issue. The panels then retired for separate conference. Communications took place between them, sometimes I myself had the advantage of seeing the Chairmen. The panels would then return, either that day or at the next meeting, to the committee room, and after further debate resolutions were adopted which were later on put into form and incorporated in the draft reports, the series of reports that from time to time were presented. There was no need to bring out the facts in regard to any of these matters, the Superannuation Act or any other, because they were common knowledge of both panels. As a rule, the endeavour was to limit the debate as narrowly as possible to the practical issues. There was no attempt at rhetorical display, and the business was entirely conducted on the lines of doing our job according to the way it had been remitted to us in the first instance by the general conference

which was held in August, 1919. I venture to put that before the Committee, because it may explain to those who might imagine that we were conducting an inquiry on the lines of a Select Committee of this House or of a Departmental Committee, why there was not constant reference to matters which were, if not determining factors, at least essential factors in the problem. The truth was that we were all equally informed, and there was no need to do so. When Mr. Fisher attended he did so at our request to clear up points at issue. We had the advantage of the presence in the Committees of the leading officers of the Board of Education, but it was perfectly well understood that they attended at our request. They advised us on technical matters as they arose, but they were quite free either to take part or not in the proceedings, and it was understood that they did not, by anything they said, commit the Board. They were there for our advantage and at our request, and everybody felt at the end that their services had been very beneficial and material, as they naturally were. I think perhaps it is well to explain the question of procedure, because I notice that there seems to have been a little confusion or doubt in the minds of the Committee as to what the conduct of the Committees actually was in practice.

418. That is most helpful and it will be very useful to us. Running through the arguments made by the teachers, I have only summarised the first three which I have noted down, because they deal with the Pensions Act, which really was before your Committees began to sit; the first being that there was a certain element of consideration given by teachers in return for the non-contributory pensions, which, it may be argued, constitutes or suggests the element of bargain. I will not go through the things which are suggested.

Then: "(2) That in bringing forward the School Teachers (Superannuation) Bill Mr. Fisher not only did not suggest that teachers might be asked to contribute towards the pension fund, but gave most cogent reasons why a contributory scheme was undesirable and impracticable, thus giving the teachers a right to anticipate that the basis of the scheme would not be changed.

"(3) That an Act of Parliament setting up a pension scheme is in its essence and according to all former precedent an Act which implied permanence so far as the

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[Continued]

beneficiaries who come within its scope are concerned" — of course you can always start a different scheme if you are starting off with fresh beneficiaries—"that such an Act must be held to imply permanence and therefore to be an implied pledge of permanence unless the contrary is expressly declared." Would you like to say anything about your feeling on those points before we come to the date of the setting up of your Committee? Do you feel that about a Pensions Act—that a settlement of pensions by Act of Parliament on an insurable basis must be held to contain in it a rather definite element of permanence?—I do. It seems to me contrary to all precedent, and I am bound to say, looking at it from the point of view of morals a little shabby, to alter a scheme so enacted. It never, I think, entered into the mind of the President of the Board of Education at that time, so far as I know, but he will speak for himself, of course, and certainly not into the mind of any officer of the Board or any member of the Committee, that there was to be a change or modification of the Act of 1918. Particularly does that apply, and obviously, to those teachers who entered the profession not on the strength of the Act but at least under the operation of the Act, between the date when the scheme passed in 1918 began to work and the notice given of the introduction of the amending Bill.

419. Then I will proceed if I may, although it is a good deal repetition of what you have really said to us already.

"(4) That the settlement of the pensions question by the Act of 1918 was thoroughly well known to both panels of the Burnham Committees, was at times referred to in their discussions, and must be held to have been a material element in the settlement of the scales. That no suggestion that the basis of pension could be altered was at any time made by anyone to the Burnham Committees, and that had it been supposed that a contribution of five per cent. of salaries would be called for towards pensions, the teachers' claim for salaries would have been greater, and would probably in part have been acceded to." Can you say at all as to that?—I can give no opinion as to what the ultimate result would have been if notice had been given as to the termination or the modification of the Act of 1918; but I must point out to the Committee that the teachers likewise had, and have, no assurance that the standard scales adopted by the local education authorities in consequence of our reports will endure beyond

what was called the period of peace. If I might make at this point a short statement, I would point out that when our Committees were set up, the whole of the education world was in a state of turmoil, and strikes were threatened in many parts of the country. It was held to be all-important to secure a period of peace to enable things to settle down, with scales of salaries adjusted not only to the higher cost of living but also to the professional status of the teaching profession. As you have been informed, about 81 per cent. of the local education authorities have adopted the standard scales, but of course no pledge has been given that they are to be permanent, in fact it would be difficult to imagine any pledge from a local education authority, which is liable to the ordinary changes of elected bodies, being of great avail. The other point in our constitution was that there was a tremendous and growing dearth of teachers, especially teachers of the right quality. It is notorious that women teachers were coming forward if not in the necessary numbers at any rate in greater numbers than the men, and, if I may say so, on the average perhaps even better in their quality. There remained the great want of getting a sufficient supply of teachers for the existing schools, and of men teachers to take the boys' schools, and that shortage was in all probability greatly to be increased by the demands that would be made for the continuation schools under Mr. Fisher's Act. It strikes me that this problem is considered in the wrong light, because it is put forward as partaking of the nature almost of a charitable movement on the part of the State, or at any rate a movement to do justice to the professional claims of teachers. But the main issue from the point of view of the State is to secure an adequate supply of teachers. Not only was that not forthcoming, but there was every possibility of it diminishing year by year. So that, instead of improving the education system by extending it under different Acts, if you could not get the teachers, and teachers of the right kind, you were going to lower it. That was the way I viewed it.

420. As you have already made clear, the settlement of the pension question by a very recent Act was, of course, in the minds of both your panels very definitely?—Yes.

421. And you say that you naturally cannot say what might have happened

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[Continued]

if it had been known that the salaries scales almost as soon as set up, or very soon after being set up, would be subject to a cut of 5 per cent. You would not, I imagine, go so far as to say that at any rate that would have increased the claims of the teachers, even though it might not have modified the result. It would have made the argumentative position different from their point of view?—Yes.

422. Then my points go on in this way.

"(5) That as in some cases the Burnham scales were less than the previously existing scales of local authorities, the teachers' representatives on the panels had difficulty in getting the scales accepted, and repeatedly used as an argument for acceptance the fact that the pension question was permanently settled on a non-contributory basis." That does not pledge the Government, but it shows the attitude of the teachers?—I take that as the statement of the teachers in their own separate conferences and caucuses. I am not aware how far that argument was used personally.

423. Then: "(6) That the existence since April, 1919, of the Burnham scales side by side with a non-contributory pension scheme has been a material inducement to people to join the teaching profession, and that the inducement and, therefore, the recruitment to the profession would have been sensibly less had it been realised that the pensions were to be made contributory. That in some cases men have been led to refuse offers of positions outside the profession which would have been accepted had it been believed that the basis of pension could be changed." With regard to the recruitment, you rather brought that point out, did you not, just now?—Yes.

424. You agree with that?—I agree with that. With regard to the latter part, I cannot say.

425. Then: "(7) That Mr. Fisher, when it was found necessary to make modifications in the Burnham scales, particularly as to the mode on which the old scales would pass over into the new"—what you call the carry-over—"negotiated these modifications with the teachers and with the Chancellor of the Exchequer in the belief and expectation that while the scales lasted no cut would be made in them as a contribution to pensions, or for any other purpose." Do you think that is probably true?—Mr. Fisher never said a word when he attended the Committee as to the possibility—certainly the likelihood

—of any change being made. I do not think he had it in his mind; but that perhaps I must not say.

426. "(8) That the Chancellor of the Exchequer in assenting to the scale of the Board of Education's grant towards local authorities' expenditure on salaries must have had in mind the existing and prospective burdens upon the Exchequer on account of pensions; did not contemplate that these burdens would be relieved by a 5 per cent. contribution from salaries; and had he thought that he was very soon going to be able to recover 5 per cent. of what he was agreeing to give, he might not have had to whittle down the scales, as he in fact did."—It would have been an insult to the Treasury mind to suppose that these conditions were not present.

427. "(9) That until the Geddes Committee reported, no person deriving any authority from the Government had ever suggested to the teachers the possibility of asking them to contribute out of salaries towards their pensions."—That is so.

428. "(10) That if this possibility had occurred to the teachers they would, before assenting to the Burnham scales, have asked for an assurance from the Minister of Education, on behalf of the Government, that the Government had no intention within a year of the scales coming into operation, to take back 5 per cent. of the salaries as relief to the Exchequer either on account of pensions or otherwise; and that this assurance would have been given, and would have amounted to a pledge within the meaning of the Committee's terms of reference."—That is quite hypothetical. I cannot express an opinion one way or the other.

429. It divides itself into three parts. Do you think that if the suggestion had come from fairly responsible quarters quite soon after the scales had been agreed to that they might have been cut into, the teachers would have raised the matter on your Committees?—I think so, undoubtedly.

430. You say that you saw Mr. Fisher more than once or twice to clear up points of issue?—Yes.

431. Do you think that would at once have become a point of issue?—Without doubt.

432. But what Mr. Fisher would have said was in his mind or in that of the Government, of course you cannot say?—No.

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433. "(11) That the facts that the teachers felt so secure of their non-contributory pensions that they at no time raised the question of the possibility of their modification, and that had they done so they would have received official assurances that this step was not contemplated, establishes a definite understanding, tantamount to an implied pledge, that no contribution from salaries towards pensions would be asked for during the short time for which the scales were to remain current."—I am bound to say that I think the fact that during all these negotiations neither by word or mouth nor by letter were the Committees informed that any such step was contemplated, did undoubtedly create an understanding, though I do not say it established a contract; as has been pointed out, so far as there is one, it exists between the local education authorities on the one hand and their teachers on the other. In private life and in business I think anybody would say that such conduct was perhaps a little unworthy; though I quite admit the interests of the State may in some cases, of course, justify practically anything, as we saw in the measures taken during war time in many directions.

434. That interests me, if I may say so, because I made much the same suggestion to Sir James Yoxall, in saying this; that though it might be pleaded as between two private persons that, for instance, if one of them was paid by the other and asked for an increase of salary, he also receiving a certain commission or certain allowance for his expenses, and the salary having thereupon after negotiation been increased, the employer would be dishonourable if almost immediately afterwards he cut into the commission or the allowance for expenses, those matters never having been mentioned at all, yet the fact that one of the parties is the State, in the present atmosphere of national necessity, makes the case different and really suggests the fact that no understanding, and indeed no undertaking by the State can be held to amount to a pledge or an implied pledge, because of the overriding supposition which must be held to be in everybody's mind, that national necessities may necessitate this modification. Would you agree to that general argument?—In my opinion the State in all its dealings with its servants or with those who are, as in the case of teachers, indirectly under its engagement, ought to apply a high

standard of rectitude and honour. It would be an unfortunate thing if the State were to do things which, in private life, though they might be within the letter of the law, would be looked upon with disfavour and suspicion by the ordinary citizen; and it strikes me that this is a case in point, especially, may I say again, in regard to the teachers who entered the profession after the scheme came into operation and into whose minds the existence of the non-contributory pension on Civil Service lines must have entered. The teachers, like Civil Servants, may be said to have a comparatively quiet life, I suppose only conditioned by the worries of their charge, financially perhaps a quiet life compared with those who are dependent on industrial contingencies, and a certain pension or superannuation scheme of any sort does enter very largely into the calculations of people in deciding what their future life and livelihood are to be.

435. Then I think my last point but one in summarising the teachers' case is this:—

"(12) That Mr. Fisher has stated that 'he did not contemplate (subject always to the authority of Parliament) an alteration in the formula for the calculation of the substantive grant,' and that 'the Government will preserve its engagements with the teachers, for that is a matter of public faith.' As he has stated also that the Government had no contract with the teachers but only with the local authorities, engagements with the teachers can refer to pensions only." I am assuming that is not so, but I am assuming that is a small point. I think the teachers would say so?—I agree.

436. "On the assumption, however, that it was not intended to refer to pensions but to salaries"—roughly he was right though the whole thing, the agreement, was only with the local authorities—"the statements imply that it would be a breach of faith with the teachers, or the local authorities, or both, for the Government during the currency of the Burnham scales, either to require the local authorities to reduce them so as to reduce their own contribution, or themselves to make a direct reduction of their contribution. It would therefore admittedly be a breach of faith, during the currency of the scales, for the Government to require a surrender to the Exchequer of the public moneys now agreed to be devoted towards salaries."

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[Continued]

That would be a direct contribution; simply to say: "The State cannot afford it; pensions do not come into it at all; we are going to take back 5 per cent. of what we are giving local authorities." Now this is this point: "It must therefore also be a breach of faith to require such a surrender for the special purpose of pensions, for, assuming the amounts to be equal, the financial effect both upon the teachers and upon national funds is precisely the same." This is not money which goes into a pension scheme, they would argue, because there is no pension scheme; the Pension Act of 1918 merely says that pensions shall be paid, presumably out of the Consolidated Fund. Therefore this is exactly tantamount to taking back, as a general aid to the Exchequer for general purposes, 5 per cent. of the salaries. What do you think of that argument?—Roughly speaking, I agree. The important point brought out is, "during the currency of the scales." The teachers had no definite pledge, still less a contract, that the scales are to be regarded as, say, even as permanent as those of the Civil Service, after the period of peace, in the different areas.

437. But if we find that Mr. Fisher's words are interpreted by him as referring to salaries, they suggest to you that it would almost be a breach of faith to take back part of the salaries for general national purposes?—The proportion paid by the Government is five-eighths, but of course again it is the local education authorities who engage and make the contract with their teachers.

438. But with regard to the amount, whatever it is, of the Government grant, does this argument suggest to you that it would be a breach of faith to deduct that during the currency of the scales for general Government purposes?—I think it partakes of the nature of sharp practice.

439. Now I come to the last argument: "(13) That the settlement of pensions by the Act of 1918 and of salaries (for a short period of years) by the Burnham scales are component parts of a single settlement between the State and its teachers, the scales fixing the actual pay and the pensions the deferred pay. That the scales are accepted by teachers and local authorities alike subject to all the ordinary changes and chances that may be reasonably anticipated, such as, for instance, variations in taxation or in the cost of living. But just as there is an implied willingness to accept probable and

natural modifications, so there is an implied pledge by the Government that no modifications in the position should be introduced by them of so improbable a nature as never to have been thought of; and that it is therefore just as much a breach of an implied pledge to reduce salaries, as it would be without increase of salary to halve holidays or double hours of work."—Yes, I agree.

440. Sir James Yoxall has asked me to ask you what your interpretation is of certain words used by Mr. Fisher which we discussed, I think on Friday, which occur in a letter from him to you of June 28th, 1921. Have you got Sir James Yoxall's paper there?—I have the evidence. I have got also the letters.

441. I will hand it to you. I have marked it on the lower part of page 6 of Sir James Yoxall's paper, which I have handed to you.—I would like to find the letters.

442. It gives the whole contention there.—I have it here too.

443. Mr. Fisher writes on the 28th June, 1921: "I have now, in consultation with the Chancellor of the Exchequer, given very careful consideration to the recommendations of the Committee. In my letters of December 24th, 1920, and 26th January, 1921, I stipulated that my acceptance of the Committee's recommendations must be conditional upon my being satisfied, upon a review of their allocation of scales, that it was proper and reasonable, regard being had not only to the relevant circumstances in each area but also to its total financial effect; and it is obvious that in considering the financial effect the grave financial situation in which the country finds itself imposes upon me, as a member of the Government, restrictions which in normal times I should have been glad to regard as unnecessary." Do you take the words "total financial effect" there to cover the total financial effect of the salary scales and of the Pensions Act, or only to refer to the total financial effect of the allocation of the scales?—I think, again, it would be an insult to the Treasury to imagine that it could be otherwise, because you cannot imagine the Secretary of the Treasury omitting so important a consideration. All this seems to me by the way. Nobody ever dreamt of such a thing at that moment, and it was not till the presentation of the Geddes Report that this expedient ever occurred to the mind of anybody.

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[Continued]

Colonel Stephenson.

444. I gather that your view is that the pensions are more sacred really than the scale of salaries. I mean, you think that an Act of Parliament which enacts certain pensions is a more immutable thing than the scales of salaries agreed upon between local authorities and teachers with the sanction of the Government?—Nothing is so high as the sanction of Parliament; but, of course, all these salaries were only agreed upon for certain periods of time, called the period of peace, and after that time they can be revised by the local education authorities, and the teachers have no guarantee that they will not be.

445. Do you know of your own knowledge how many local authorities have not adopted the salaries but have given definite pledges to their teachers for that specified period? 17 per cent., we are told, have not given them at all?—All the authorities except, I think, for some time the Scilly Islands, adopted a provisional minimum scale. The standard scales have been adopted by 81 per cent. The figures were read out to us at one of the last meetings of the Committees by the officials of the Board of Education. At that time I think it was a little lower than that, but every day settlements are being made, sometimes delayed owing to the peculiar financial circumstances in the case of the local authority, but in others owing to the fact that County Councils have their meetings at a considerable interval, and, therefore, it necessarily takes longer than in the case urban authorities. I think roughly the figures given by the Board of Education are the same as were stated to this Committee. Of course Mr. Fisher could give you exact information on that point.

446. Are you aware that at the forthcoming Conference of Education Authorities, which is to be held in Sheffield, I think next week, no fewer than four authorities, Nottingham, Rawtenstall, Darlington, and Bootle Education Committees, are all bringing forward resolutions to reduce the scale in a downward direction before the expiration of the period?—Yes, I am aware that there are such proposals before a good many local education authorities. I am not aware of what the issue will be.

447. It does rather appear as though the general impression was, whatever may have been the views held at the time your Committee sat, that owing to the change in financial circumstances generally, it is

now generally held by the authorities that the scale is not suited to the present conditions or the conditions which are likely to mature in the near future?—That very tendency might make the teachers a little unwilling to give away what they already have.

Chairman.

448. Just one point arising out of that. I, as a taxpayer, rather sympathise with the general view that as the cost of living comes down, the salaries of public servants ought to come down too; but is it not material that the taxpayers and their representatives should remember that, in a very large number of cases at any rate, the increases of salaries for teachers were postponed for an unduly long time compared with the increases which other people of more or less similar positions obtained, and therefore that in a way the term of the currency of your scales is regarded as to some extent compensation for the lateness in the period of the war—indeed in many cases it was not until the war was over—when any increase of salary was made?—That is so. The teachers of the country did not receive, during the war, the bonuses in proportion to the rise in the cost of living which they might have expected in most cases, though bonuses of course were given. There is also of course, always to be borne in mind the deficiency in the number of the teachers, which had to be made up by natural attractions of the calling.

Colonel Stephenson.

449. Would you consider that, owing to the altered conditions of the financial position generally and the difficulties of the employment, by comparison the teachers' profession, even if either the salaries or the pensions were reduced in some form or another, would still by comparison be as attractive now as it was when your Committee was set up? Other things have gone down, and therefore by comparison it is more attractive to-day than it was when the scheme was arranged?—Both panels were fully aware of the general tendency of prices to come down, and although they may not have fixed in their own minds exactly the time and the degree, I cannot conceive anybody in the country not having calculated, in his own business arrangements, for falling prices. The scales there-

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fore were undoubtedly fixed as standards with the knowledge that they would be of greater value with the fall in prices, although I do not suppose it was anticipated, nor probably is it now, that the cost of living will fall absolutely to pre-war figures.

450. At any rate, the future was discussed?—I think so.

Mr. Grant.

451. The point, I think, has been very well made in the last few minutes with regard to the relation of the cost of prices. It is common knowledge of course that the salaries of teachers were almost a scandal; and in any case, whatever the cost of living may have been, they undoubtedly would have been raised, but a percentage of that rise was, I presume, due to the high cost of living?—A percentage, undoubtedly.

452. But it was not discussed in any way as to the possibility of such scales being lowered when the cost of living came down?—There were many discussions on the relation of the cost of living to the salaries. That was an important part of the whole of our proceedings, but of course there was also undoubtedly the admission on the part of the local education authorities, and subsequently, I think, of the Board of Education, that the scale of the teachers' salaries had been too low, and that, for reasons of professional status and still more of adequate supply, quite apart from the cost of living, they ought to have been raised.

452a. At any rate, there is absolutely no doubt, your mind is quite made up, that there was no prospect of any alteration in a comparatively short space of time?—Yes.

Sir William Joynson-Hicks.

453. May I put it that your view is shortly this: that though there was no mention of a pensions scheme in the course of these negotiations, there was equally no mention that it might be made contributory?—That is so.

454. There was no warning given that there might be a change of view on the part of the Government?—No, because I do not think the Government contemplated it itself.

455. And that being so, the bargain, such as it was, before the Burnham Committee was made with the *boni fide* view

on all sides that this pension scheme was a permanent one?—Yes, undoubtedly.

456. That is your view?—Yes.

457. You have large commercial undertakings. If you had in your own commercial undertakings established a scheme of this kind and then negotiated the wages of your workmen, unless you had mentioned the possibility of a change, I take it you would have considered yourself honourably bound by the scheme you had set up?—Yes.

Mr. Spoor.

458. You used the expression in your opening statement that there were certain, if not actually determining, essential factors, that were in the minds of your Committee, and then you went on to indicate that this existing 1918 Act was one of those factors. Are you of opinion that had that Act not been in existence the scale would have been better?—That seems to me to be in the nature of a psychological problem. I cannot myself determine whether, all things considered, if they had had notice, the teachers would have accepted the standard scales, subject to this 5 per cent. deduction. All I say is that there was no notice, and it was one of the existing facts of our educational system which everybody in the room was aware of.

459. Putting it rather differently, supposing that while the negotiations were going on with the teachers, the suggestion had been made that out of this increased amount that they were to get, they would have to make a contribution towards this pension scheme, what do you think would have been the effect of that?—You mean if this question had been remitted to us to discuss and determine?

460. If, during the progress of your work on the Committee, the suggestion had been made: "Now we are going to increase the scale; we are going to pay higher salaries; but in return for that, you must drop this non-contributory pension scheme that has recently come into operation," what do you think would have been the effect?—I think it would have given the teachers' panel what the French call a *mauvais quart d'heure*—a very unpleasant time. They would have retired and considered it. What would have been the ultimate settlement, I do not know, but it would have been more difficult to attain; I do not say more than that.

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461. Might I ask you, were you ever consulted either by the Geddes Committee or by the Cabinet Committee that considered the Geddes Report?—I was not consulted by the Geddes Committee, but I was consulted on the question of salaries by the Cabinet Committee.

462. After the Geddes Committee had made their recommendations?—Yes. I do not know how far, Sir, I am at liberty to disclose what took place in the Committee of the Cabinet.

463. I do not want to question you about it.—I am not putting it offensively in any way. I rather anticipated questions which might be asked me as to what took place there.

Chairman.] I do not think it would be right for members of the Committee to ask you as to what happened.

Mr. Spoor.] I do not press the point. I only wanted to know whether the Cabinet had actually consulted Lord Burnham.

Witness.] Yes, they did.

464. You say quite rightly, and I think all the Committee will agree, that the

problem before your Committee, and before the Government really was to secure a more adequate supply of teachers. We have had evidence that the supply has been inadequate for some time. Supposing this policy which has been suggested was carried out, supposing this Bill that was introduced a fortnight ago actually becomes law, do you believe it will have a deterrent effect and interfere with recruitment in the immediate future?—It certainly will not improve the chances, because to my mind the recruitment of the teaching profession largely depends on the teachers. In addition, to that, in the past teachers have not as a rule recommended their children to follow the same line of life. There are a great many who have, but there has been a tendency to diminish that wholesome influence. The teachers will feel a sense of grievance and I do not think it will improve the prospects of recruitment.

Chairman.] Thank you very much indeed, Lord Burnham. We are very much indebted to you.

(The Witness withdrew.)

The Right Hon. H. A. L. FISHER (a Member of the House), examined.

Chairman.

465. You kindly provided a memorandum which we had in our hands on Friday and Saturday, setting out, I think, the Board's point of view, but this morning you have asked us to take a further proof of evidence instead of the memorandum which you then submitted, which of course is entirely in order, and we are, of course, quite willing to do that. But it puts us, and me particularly, in this slightly difficult position, that whereas I had studied your previous memorandum and had had a chance of doing that very carefully, I have only received your new one when I took my seat. Therefore before we come to your new memorandum, which you will place before the Committee either definitely as a document, or will present it orally, as you please, I should be very much obliged, and I think the Committee would be very much helped, if you would give me your comments on a certain summary of the teachers' case which I have tried to make after hearing their evidence for two days, as we did last week. You could do that, if you please, after going through your own memorandum or before; but I think, in order to clear the

Committee's mind, it would be very useful to us if we could have your comments on the teachers' case, summarised, as I have tried to summarise it, in a way which expresses it as fully as I can express it in a series of propositions. What do you feel about that?—Of course I am in your hands. I will do what is the most convenient to the Committee. I have prepared this new statement in the light of the Minutes of the Evidence taken before the Committee, which I have read, and I should have thought that it would probably be the most convenient course if I put in my proof of evidence in the first instance, if I then went on to put in some observations upon particular points in the evidence as given which appear to me to need correction, and it is possible that after that, the number of questions you might desire to ask me would be diminished and that the labours of the Committee might be abbreviated. You might find that in anticipation I had answered certain portions of the case, or you might not find it.

466. On consideration, I think that is true: that we ought to allow you to put what you have to say in exactly the way in which you would desire to put it, in the first place, and then anything I wish

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to ask you about would follow on from that, either arising directly out of what you had said or arising out of the teachers' case as I conceive it to be.—I have read the Minutes of the evidence given before the Committee on the 25th May, but at the time of writing this I have not had an opportunity of reading the evidence given on the 26th May. I have already furnished the Committee with a memorandum, which may be regarded as a preliminary proof of my evidence, and perhaps I may be allowed to substitute this paper as a revised proof of evidence directed more particularly to the evidence which has actually been given. Before doing this, however, I should like to make some general observations.

In the first place I should like to call attention to the very narrow point which is before the Committee, and that is, whether an undertaking was given or implied by the Government or Parliament. It is obviously necessary to allow very considerable latitude in the discussion of this subject, but I submit that many of the subjects which were discussed in the course of evidence are not really relevant to the consideration of the matter before the Committee.

The questions whether the teachers anticipated that the School Teachers (Superannuation) Act 1918 would be altered; whether the result of the Bill will be to deter persons from entering the teaching profession; whether the representatives of teachers induced teachers to accept the Burnham Scales by referring to the advantages of the Superannuation Act, are really of no material importance. They may be very proper subjects for discussion on the Second Reading of the Bill, and on the Second Reading Debate I should be prepared from my place in the House to deal with these points, but unless the Committee can find an undertaking given or implied by the Government or Parliament, the question referred to them must be answered in the negative.

The question before the Committee divides itself into two parts. The first question is whether an undertaking was given, and I think I am right in understanding that part of the question as meaning—was an express undertaking given that the provisions of the School Teachers (Superannuation) Act 1918, should not be altered while the existing scales of salaries remained in force? If an express undertaking was given, it

must be embodied in some written document or recorded speech. I have carefully searched the evidence and I cannot find any statement that an express undertaking was given. I do not think it is seriously suggested by any of the witnesses that there is any express undertaking. I think indeed it is admitted that there is not.

We come then to the question whether an undertaking was implied, and on this point I should like to make the preliminary observation that an undertaking is only implied when it is not contained in the express terms of an undertaking actually given. It is well known that the terms of any undertakings given either by the Government or Parliament are very carefully considered in such a way as to include everything that they ought to include and to exclude everything that they do not express. I do not desire to say that nothing can ever be implied which is not expressed in an undertaking given by the Government, but I do say that there must be a very strong presumption that an undertaking is complete in itself and that it needs very overwhelming evidence before a Committee can come to a conclusion that the Government is bound in honour, not by something they have said but by something which is supposed to follow by implication from what they said.

467. From what they said or from what they did?—Yes. It is necessary therefore in the first place to examine the actual undertaking on the top of which it is alleged that a further undertaking must be implied that the School Teachers (Superannuation) Act, 1918, should not be altered. As far as I am aware there is only one material undertaking, and that was the undertaking given in my letter of 26th January, 1921, to Lord Burnham. On the 22nd January, 1921, Lord Burnham wrote me a letter of five paragraphs, of which I think only paragraph 2 is material. That paragraph is as follows:—“That in respect of the particular work of this Committee they feel that it is essential for the continuance of that work that the Committee should now be assured that if on a review the Board is satisfied that the allocation of appropriate standard scales by the Committee is fair and reasonable, then the local education authorities which adopt those scales shall receive not less than three-fifths of the expenditure on teachers' salaries incurred thereby.” And the material passage of the reply to that paragraph, in the letter

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of 26th January, is as follows:—"I do not contemplate, subject always to the authority of Parliament, an alteration in the formula for the calculation of Substantive Grant by which 60 per cent. of the expenditure on teachers' salaries is taken as an element. If, on a review of the Committee's allocation of scales, I am satisfied that the allocation is proper and reasonable, I shall be prepared to regard expenditure by a Local Education Authority in accordance with the appropriate scale as expenditure in aid of which Parliamentary Grants should be made."

I think it is necessary to emphasise the exact effect of this undertaking. Firstly, it was not a guarantee by the Board that Burnham scales should be paid. The Board do not pay the teachers and they were not in a position to give any such guarantee; in fact the standard scales are not universally paid by Local Education Authorities. Secondly, the undertaking was an undertaking given through the Committee to Local Education Authorities. As a result of that undertaking, Local Education Authorities entered into certain engagements with the teachers. If the undertaking had been broken the Local Education Authorities would have had good cause to complain; but the engagement of the teachers was with the Local Education Authorities and the teachers were entitled to the salaries which the Local Education Authorities agreed to pay, whether or not the Board broke their undertaking.

It is out of this undertaking, because it is the only undertaking the Board gave, that any further undertaking by reference to its object and the circumstances material to its object must be implied, if at all, and it is at once apparent that the further undertaking which is said to be implied is an undertaking of an entirely different character. The express undertaking was an undertaking to the Local Education Authorities through the Burnham Committee representing a promise of what the Local Education Authorities should receive in grant. The suggestion as to an implied undertaking is that an express undertaking to the Authorities to pay certain grants must be construed as involving an undertaking as to pensions which did not affect in any way either the receipts or the expenditure of the Authority and in which the teachers were almost exclusively interested.

468. Let me just break in for a moment to suggest, as I think I shall have to put to you later, that is not the teachers' suggestion as to the implied undertaking. They, rightly or wrongly—and I think you comment on that later—put their case on broader lines than that the implied undertaking arises only out of the express undertaking of yours that, subject to the authority of Parliament, certain proportions of the Local Education Authorities' expenditure on salaries would be paid. But we will come to that later?—Yes. May I just, in advance, say I do not see any difference between the point you are putting to me and the point I have put; but, however, we will deal with that later. That is the case as I apprehend it.

It seems to me that if we put the case at its highest, all we can say is that at the time when that letter of 22nd January, 1921, was written, there were two very important questions to be settled. The first was whether Local Education Authorities should receive grants on the scales which they promised to pay, and that question directly affected the Local Education Authorities. The second question was whether, if the Burnham Scales were given to the teachers, the teachers could be assured that the School Teachers (Superannuation) Act, 1918, would not be altered to their detriment. That question concerned the teachers.

The first question was asked; the second was not asked. It is useless to conjecture why it was not asked and impossible to conjecture what the answer would have been if it had been asked. It is certainly impossible to state with assurance that if it had been asked the answer would have been an unqualified undertaking that the Act of 1918 would not be altered while the Burnham Scales were in force. The letter of 22nd January, 1921, refers to the present embarrassed condition of national finances, and before I could have given any unqualified pledge upon that subject, I should certainly have had to consult the Treasury, and I should have been very cautious before I pledged the Government with regard to the course of events over the next four years, having regard to that embarrassed condition of the national finances, and which the correspondence alluded to.

My point, I think, is that I can fairly say that the answer to the question was given in the answer to the first, and unless it can be proved that

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that the answer to the second question, if asked, would have been an unqualified affirmative, no person has any right to infer from the answer to the first question that the answer to the second question would have been in the affirmative.

If, in fact, the non-alteration of the School Teachers' (Superannuation) Act, 1918, was so material an element in the matter as the teachers represent, the responsibility for not asking a question upon the point must rest entirely with the teachers, and I cannot accept any responsibility for an alleged undertaking which I certainly did not give expressly, and which, I contend, cannot possibly be deduced as a necessary implication from the undertaking which I did give. I certainly never had any such undertaking in my mind.

To put the question in another form, it appears to me that the argument of the teachers is that salary and pension are inseparable and that any undertaking as to salary involves an undertaking that pensions will not be altered. If this were true, the converse would hold good, and any improvement of the pension system would entitle the Local Education Authorities to insist on a salary reduction. The argument might have some force if the award of pensions was in the same hands as the settlement of salaries, but the fact is that Parliament has treated the two things as entirely separable. The Local Education Authority, which fixes salaries, is powerless to deal with pensions, and the State, which fixes pensions, does not fix the salaries which the Local Education Authority contracts to pay to the teachers.

469. You know that several Local Authorities are now considering reductions in the scales that they have adopted. Do you not think that if Parliament were, in its wisdom, now suddenly to double the pensions, the fact that the pensions had been improved would be argued as a very material matter in justifying the decreases of salaries which are now going to come under consideration?—I am just going to deal with that point.

470. If you please?—Historically also the argument appears to me to be untrue. The Act of 1893 gave pension benefits which did not previously exist, in 1912 these pension benefits were improved; in 1918 a salary scale scheme was introduced. On none of these occasions was it ever suggested that these increased rights involved

reduction in salaries, and I feel sure that if at the present time it were proposed, instead of making the Act of 1918 contributory, to double the benefits given under it, neither the teachers nor the Local Authorities would ever have suggested that this of itself entitled the Authorities to readjust the Burnham Scales, and if the Authorities had claimed to do so, I have not the slightest doubt that the justice of the claim would have been indignantly repudiated by the teachers.

471. But knowing the general line of argument which members of Local Authorities are inclined to take now under the very heavy burden of rates, do you not think that the Local Authorities would, as a matter of fact, have been very prompt to suggest that if the pensions had now been doubled, it would justify a reduction in the salary scales?—I think they would probably have suggested it. I think the claim would have been resisted by the teachers.

472. But you say here that it would never have been suggested that this of itself entitles the Authorities to readjust the Burnham Scales. I should have thought it would have been just the sort of excuse that many members of Local Authorities would only be too glad of to reduce the scales?—I said "entitled." I can understand the excuse being urged; but the fact that the pension scheme has been altered does not affect the pecuniary position of the Local Education Authorities. The Local Education Authorities do not pay the pensions.

473. No; but they would have been very quick, I think, to argue that in one respect the teachers had been made very much better off and that would justify that in another respect they should be made worse off, namely, by a reduction of salaries?—Then if you admit that argument, you admit the converse, that is to say, supposing the teachers are made to contribute to their pensions, that is an argument against reduction of salaries.

474. Yes, I think that certainly holds; but whether, when you are dealing with an Authority which holds itself pledged to the scales, it is much of a consolation to the teachers that something has been done, namely, by making them contribute 5 per cent. of their salaries, which makes it less likely, as certainly it does, that the scales will be cut into, I do not quite know. I imagine most of the authorities will not go further, whatever happens, than saying, "We are pledged for a short

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they had given any undertaking, expressed or implied, as to teachers' pensions, they would not attempt to break that undertaking, whatever might be their Parliamentary power to do so; but their case is that they have not given the undertaking.

I next find it necessary to deal with the allegations that the Act of 1918 in itself involved an undertaking, and that it could not be altered without a breach of faith. First, in its baldest form, the suggestion was that the Act could never be altered at all without a breach of faith. I will not enlarge upon that point unless I am asked to do so. The proposition seems to me to be untenable.

I quite agree, however, that there are parts of the Act of 1918 the alteration of which would involve a breach of faith. When the Act of 1918 was passed many teachers were subject either to a pension scheme under the Act of 1898 or to local pension schemes, and they were required, if they wanted the benefits of the Act of 1918, to abandon their rights under these previous schemes. Most of them abandoned their rights because the Act of 1918 was more beneficial. I quite agree that it would have been a breach of faith to induce these teachers to leave the Act of 1898 or the local pension scheme on the faith that they were entering upon a non-contributory scheme, and then to convert the scheme into a contributory scheme without any regard to any possible loss which it might entail upon them. I have been alive throughout to this point, and it appears to me that Clause 3 of the Bill absolutely meets it. It says that if these teachers are in a worse position by reason of the Act of 1918 being made contributory, they should be compensated. I cannot imagine any more complete provision securing these teachers against breach of faith, and if it is shown that that clause does not completely compensate the teachers concerned, I shall be prepared to consider its amendment.

473. On that, I think, you might just clear up a small point. The compensation, of course, as is shown in the Act by reference to the Government actuary, would be on an actuarial basis, and I agree that that is very important which does not matter. But, of course, if these pensioners are, although the par-
1913 Act still superannuated on an
income not be altered certain events,
scales of salaries remain, and compen-
an express undertaking was compen-

sated; in this way, that if, for instance, an existing scheme makes more liberal provision for widows, say, if a man dies suddenly in service, than the Act of 1918, although possibly less liberal provision for pension afterwards, there may on balance from an actuarial point of view, be no benefit in the old scheme; and yet if the man does happen to die and leave a widow, although no compensation would have been due if the Bill now before the House passes, yet there will be a considerable number of actual cases in which persons really will be worse off, because the particular case has occurred in which the old benefits were more liberal than the new ones. The actuary works on the averages, of course, and would be the first to admit that if the particular case occurred the person would be less well off?—Yes, I can conceive that as being possible, but conversely might there not be cases in which the reverse effect would happen? You have to balance one thing against another. But I wish here to say that the amendment would desire to tip the balance on the side of the teachers in this matter, and if it can be shown that Clause 3 is not adequate to safeguard vested rights, we should certainly be prepared to accept any reasonable amendment.

479. My point is only this, that you cannot revive the old schemes; that is clearly impossible; they have been surrendered and the teachers have in many cases got the surrender value, and so on; and that being so, all you can do, I think, is what you are proposing to do, namely, compensate on an actuarial basis. But that will not provide against the fact that certain cases will occur in which the actual operation of the old schemes would have been more favourable than the new scheme, which cannot be met by compensation on an actuarial basis. I am not putting it higher than that?—I have not gone into the point, but I should have thought it would not be beyond the resources of Parliament to meet that particular point.

480. I just clear it right out of the way so that I shall not have to refer to that again. In the points I have tried to make as summarising the teachers' evidence, it comes in as one of the elements of suggested consideration given by them in return for the benefits of the School Teachers (Superannuation) Act, 1918, and I put it in this way: "Teachers, particularly in secondary schools, were induced to give up pension

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schemes which in some cases contained extremely favourable elements, on the strength of their belief that the non-contributory scheme would be permanent. Though the Bill now before the House provides that compensation shall be given in cases where the previous schemes are more favourable than the position which will arise on the passing of the Bill, this will not cover the actual cases in which, for instance, a teacher dies during service and leaves a widow who would have been provided for under the previous scheme but not under the Act." That is merely putting the same thing again?—The Bill does provide for that.

481. It only provides for compensation where the total actuarial effect of the scheme is more favourable?—I am reminded that the Act of 1918 does provide for payment to a widow.

482. I know it does; I read it this morning. But it is a question of the old schemes being more generous than the provisions of the Act?—But is there any case in which they are more generous?

483. That is what was alleged, I think, by the representative of the school teachers?—I should be very much surprised to find a single case in which the pension scheme was in any particular more generous than the Act of 1918.

484. Of course than the Act of 1918, but would you say more generous than the Act of 1918, assuming a 5 per cent. contribution out of salary?—Yes, I should say they were getting very largely increased benefits.

485. At any rate, the case has been fully put to you now. We quite see your point of view. Will you proceed?—But apart from this there can be no breach of faith in altering the Act of 1918, since no one, except the teachers to whom I have alluded, did anything or gave up anything, or forebore anything, in order to get the absolutely gratuitous benefits which the Act of 1918 gave them.

It was suggested that there was a particular breach of faith in altering the Act of 1918 four years after its passage and that the same objections would not apply to its alteration many years after its passage. This argument appears to me to be untenable. It may be undesirable to alter an Act very soon after its passage, but if it is a breach of faith to alter it, how can it be more a breach of faith to alter it in 1922 than in 1932?

486. There the converse would also apply. Would you hold that if public circumstances demanded it, it was not

a breach of an implied pledge for the Government to take back 5 per cent. of Civil Servants' salaries as a contribution towards pensions?—The Government made a very severe supercut on the Civil Service, which of course was very severely felt in view of the financial situation of the country.

487. But that is taking it wide, and your argument to us is that we must take it rather narrow. I come to the question of breach of pledge. Do you think it would be a breach of pledge if the Government were to propose to interfere with a pensions scheme which has existed for a large number of years, namely, the Civil Service pension scheme, and to ask for a contribution from salaries towards pensions?—The Government has never given a pledge that the scheme should not be altered, and I presume, therefore, that it would be perfectly free for the Government to go to Parliament and ask Parliament to revise the scheme. There might be grave political objections, but I should have thought the point of view of pledge did not arise.

488. I am not of course arguing it as a practical proposition, but you think that unless any definite and absolute pledge may be in existence against that, the cases are parallel and that no pledge, unless it has been expressed, is implied; it is one of the things which a Government could do without breach of pledge?—I think so.

489. Without breach of honour?—I do not think that the two cases are quite parallel. I will tell you why I do not think they are quite parallel. When the Teachers (Superannuation) Act was passed, the average salary of the elementary teacher was £104. No doubt Parliament expected, as I expected and hoped, that salaries would rise. Nobody expected that they would rise so fast or so far as they have in fact risen. The average salary of the elementary teacher is now £250; next year it will be £261. The consequence is that the Estimates on the faith of which Parliament passed the Superannuation Act of 1913, now require a very large measure of correction. My estimate was perfectly correct at the time. I told Parliament that we might expect, in the course of 10 years, the annual cost of the Act to be £2,500,000. Well, it has more than doubled, and in view of that circumstance, which is a circumstance belonging to the revolutionary character of the economic period through which we are going, the

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Government finds that it has undertaken an obligation far greater than that which it thought it was undertaking when the Act of 1918 was passed. That seems to me to be a very material factor. In the case of the Civil Service, the Civil Service have their salaries fixed by the State. In the case of the teachers, the salaries are not fixed by the State. They are arrived at by a process of bargaining between local authorities and the teachers.

490. That difference is very important from the point of view of the argument with regard to public policy, but on the matter to which I think you rather tried to confine us, as to the breach of faith, I do not know that you want to take the matter further than to say, as you have said, that you do not think, subject always to finding some definite and express public pledge given, that the case of the pensions to civil servants is on a different basis to the case of pensions to teachers, and that either could be cut into if public policy made it desirable, without breach of faith?—Undoubtedly. I think the extreme position that the Act of 1918 could not be altered was in fact abandoned, and the witnesses really relied upon the modified position that it could not be altered without a breach of faith so long as the Burnham Scales were in operation. This brings me down to the proposition that the only real ground for alleging a breach of faith rests, not on the Act of 1918 by itself, but on the Act of 1918 in association with the Burnham Scales. In other words, there is no breach of faith unless it can be shown that the undertaking of the Government in connection with the Burnham Scales has been violated. Much evidence has been given to the effect that I, or other persons, speaking on behalf of the Government or the teachers, or other persons, have from time to time made or written statements pointing out that the teaching profession was attractive because of the provisions of the Act of 1918. I do not desire to deny that I may have made such statements. I do not see how any person occupying the position of President of the Board of Education could remain in office for the years for which I have remained without repeatedly discussing in public gatherings or even in the Press the advantages of the teaching profession, and if I discussed these advantages I could only discuss them as they were, and not so as they might be. It seems to me ridiculous

to allege that, because I said that the non-contributory pension renders the teaching profession attractive, I therefore guaranteed that the non-contributory system would continue for ever. It might just as well be said that if I had stated that the salaries were attractive I guaranteed that they would never fall, or that if I had said teachers had light hours of work, I guaranteed that they never would be increased. I admit that as a responsible Minister, if when I had made these statements I had had it in my mind that the Superannuation Scheme would soon be made contributory, I could not honestly have made these statements without accompanying them with an express warning that the fate of the scheme was in doubt, whereas it is admitted on all hands that at the time these statements were made I had no ground whatever for anticipating an early alteration in the conditions of the Act of 1918. There is clearly all the difference in the world between commenting upon a state of affairs and guaranteeing that that state of affairs will last for ever.

491. Would you say that the same arguments applied to documents which have been officially issued either by the Ministry of Labour or the Ministry of Pensions, or the Board of Education—I am not sure which—with regard to teaching as a profession for disabled men?—I am going to deal with that later, if I may. I have a note on that point.

492. Here is a document of which I have just been given a copy, saying “no contributions will be required from the teachers towards pensions”; but I imagine that the comment would be that it is perfectly fair to give a statement which is perfectly true at the time, but that must not be held to bind the future. Perhaps you would like to deal with that later?—I am going to deal with it later. It is obviously a relevant point. In order to summarise my view of the contentions put before the Committee by the teachers I may state the position as follows:—

(1) There is no evidence whatever of an *express* undertaking by the Government not to alter the teachers' pension system or make it contributory.

(2) The question of making the system contributory was not raised by anyone as a practical proposition, and certainly not in relation to teachers' salaries, till the Geddes Committee reported.

(3) Is it possible to infer an implied undertaking by the Government that the

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pension system should not be altered from the entire *absence* of evidence that any reference was made to a possible alteration of the pension system in relation to teachers' salaries?

(4) Such an inference would involve the view that because the Government, in reviewing the Burnham Scales and deciding to pay grant on the expenditure involved by them, did not say anything about the pension system or warn the Burnham Committee of the teachers or the Local Education Authorities that the system might be altered, they were responsible for the belief that the system would not be altered or for the failure of other parties to contemplate the possibility of its alteration.

The argument would be this: (a) the Government ignored the contingency of an alteration of the system; (b) they are therefore responsible for other parties ignoring that contingency; and (c) they must therefore be regarded as having by implication given an undertaking that the system should not be altered. There seems to be a *non sequitur* between (a) and (b) and a still greater *non sequitur* between (b) and (c).

I have now given you my general proof of evidence. I have now some comments on particular points raised in previous evidence.

493. I would rather reserve such general questions as I want to put to you until you have gone through those particular points. Then we shall have the whole of your evidence before us?—Some of these points are comparatively trivial, but I have thought it as well, if there was any error of fact, to correct it. *Questions 7 and 99.* It was suggested that in fixing the minimum retiring age at 60 the Government obtained from the teachers some consideration for that act. I think it is perfectly clear that the possibility of retiring at 60 and claiming a pension at that age was regarded by the teachers, as it was certainly regarded by me, as a privilege and an advantage to the teachers and not as a disadvantage. It is, of course, true that if a teacher can retire and claim a pension at 60 he may be asked to do so by the Local Education Authority or Governing Body who are his employers. In this respect he is in exactly the same position as the civil servant. But it was often represented to me that the old retiring age of 65, before which no teacher could obtain a pension, was a hardship, especially in the case of women, and my recollection is that representations were made to me—I am not

sure, indeed, that an Amendment was not moved in Parliament—that teachers, or women teachers, should be allowed to retire at the age of 55.

Questions 7, 177 and 187. It is stated that at a conference which I held with representatives of the Associations of Local Authorities, the London County Council and the National Union of Teachers on the 25th July, 1919, I referred to the Superannuation Act of 1918 as having improved the prospects of teachers. A shorthand note of what I said has been preserved, and I find that I made no reference whatever to the pension system. The point, in my opinion, is not at all material, but I think it right to remove the misapprehension.

Questions 14-20. There appears to be some misunderstanding about the position of the Board of Education with regard to the Burnham Committee, and I desire to make it absolutely plain. The misconception appears to be due to the idea that the Board of Education could cut down, improve or alter the scales determined by the Burnham Committee. This they have no power whatever to do, as a Local Education Authority can pay its teachers whatever salary it likes and all that the Government can do—or ever attempted to do—is to say that if they think the salaries are excessive they will not pay grant to Local Education Authorities on the excess. Some Authorities are still paying salaries at a higher rate than the Board recognise for grant. The Committee was a Committee of teachers and Local Education Authorities, and no one could truthfully say that the Government were bound by the fact that they suggested the constitution of the Committee to recognise any salaries which they settled whatever they might be. I could not possibly have pledged the Exchequer in this way. The Burnham Committees have never disputed the right of the Government to say whether they would or would not pay grant on the Local Education Authorities' salary expenditure under the scales. On the other hand, I admit that there was a reasonable anticipation that the salaries agreed to in the Committees would be salaries which the Board could with, perhaps, some modifications, limitations or conditions recognise for grant.

Question 20. At the end there is a reference to statements by the Burnham Committees. Up to this time I have seen no such statement, and I desire to be referred to it. The statement is, "As

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regards the teachers, too, it is only fair to recall statements by the Burnham Committee that the existence of the non-contributory pension scheme was borne in mind when the new salary scales were fixed.*

494. I imagine that they will not be statements in the Reports of the Burnham Committees, but probably statements in a discussion simply. But we shall get that from Mr. Leslie, I think, from whom the quotation purports to be taken?—Yes. *Question 21.* Reference is made to extracts from a letter addressed to him by Lord Burnham on the 28th April, 1922, which Sir William Joynson-Hicks read in the House of Commons. There is a passage in that letter (which I think was not mentioned by the witnesses) which, in my opinion, is most important. That passage is as follows: "There is nothing on the face of the negotiations, either expressed or implied, to show that the non-contributory scheme of pensions determined the scales of salaries." This must be read in connection with the other passage which he read that "It was common knowledge in the minds of both panels that the scheme had been sanctioned by Parliament and was in existence . . . we must assume that the special circumstances of the Pensions Act did have some bearing on the settlement which was made. How much, neither I nor any of the members of the Committee can possibly tell you."

Question 28. At the bottom of the left-hand column of page 7, Sir James Yoxall appears to set up the extreme proposition that not only is it impossible to make the Act of 1918 contributory while the Burnham Scales are in force, but also that it cannot be made contributory at any time. But I desire more particularly to call attention to the next sentence, which is as follows:—"I submit that they," i.e., the Teachers, "had been given the right to imply this, and that nothing done by or in connection with Local Education Authorities withdrew from them the right to imply it." It appears to me that this sentence exactly discloses the weakness of the teachers' case. The question is not what the teachers implied, but what the Government implied, and it seems to me that the word "imply" in this passage is used in a sense which it cannot bear, and that the proper word would be "infer" or "assume." The question

whether the teachers had any right to infer or assume anything depends on whether the Government by any statement of theirs had given them that right.

Questions 34 and 35. The last sentence asks me to prove that the Government intimated to the teachers that there would be a change in regard to pensions. It seems to me that this represents an extraordinary attempt to place the burden of proof on the wrong shoulders. He who alleges a breach of faith is bound to prove the breach of faith, and the burden of proof is with the teachers, and not with the Government.

Questions 81 and 82. I submit that it is perfectly obvious that, when I said on 25th February, 1922, that "the Government would preserve its engagements with the teachers—for that is a matter of public faith," I was referring to the engagements made with the Burnham Committee to recognise the Burnham Salary Scales for the purposes of grant, and I was not referring in any way to pensions. The reason why I say this is, that on the 4th February, the Prime Minister had already intimated to the teachers the propriety of making the Superannuation Scheme contributory, and in these circumstances I could not possibly be read as suggesting on the 25th February that such action involved a breach of public faith.

Question 153. I must not be taken as assenting to the statement contained in the last sentence of the reply to this question. It is only a small point, but I think that statement is hardly fair to the Treasury. They saw objections, and, indeed, Parliamentary objections, to the introduction of insurance companies into the machinery of the scheme, and also other objections to the contributory scheme which prevailed; but they did not advocate a non-contributory scheme on the basis that it would cost less than a scheme on Civil Service lines.

Question 167. There is a reference to the Board of Education in the reply to this question, and I must not be taken to admit the accuracy of the reply. I do not deal with the point further, because the question of recruiting is in no way material for the purposes of a decision of this Committee.

Question 177. The argument in this reply is based almost entirely on the words "total financial effect." I understand that the Chairman has already pointed

* See Qs. 598-9.

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out to the Committee that in the context in which I used these words it was quite apparent that I was applying my mind only to the allocation of scales, and that they had nothing to do with the pension system.† I therefore do not enlarge upon that point, except to say that the whole of the reply to this question falls to the ground on that point. I can deal with this point at greater length if required.

495. I do not think we do require that. It seemed to me right at once to try to remove any temptation to use the phrase "total financial effect" as if it conveyed "total financial effect of the scales and the pensions taken together," because it seemed to me to be a quoted phrase. It seemed to me to be very clear from the context, as you stated, that it refers only to the allocation of scales. I did my best, I think, to nip in the bud the tendency to let the phrase become current in one sense that was meant in another—I quite realise that, but I thought it would be useful to have my observation on the Minutes. Questions 195-197. It appears to me as an impossible argument that the Government should be bound by statements published in "The Schoolmaster," which they do not expressly contradict. It is interesting, however, to note that the article begins as follows: "Nothing has been more true to human nature and yet more apparently ungrateful than the readiness with which the improvement made in the teachers' financial position by the Superannuation Act is entirely ignored in the frequent comparisons between 1914 and 1920." Question 207. I produce the document to which the witness refers: it suggests what the provisions of the School Teachers (Superannuation) Act, 1918, are; it does not state that those provisions will never be altered.

496. Is that the leaflet?—It is the leaflet. I have this note on the leaflet: (1) I must, however, in fairness to the teachers and the Committee, refer particularly to the point made by Mr. Crook on Question 207, where he says that a pamphlet was issued mentioning the non-contributory scheme of pensions as one of the attractions of the teaching profession. The Board of Education issued a circular and leaflet relating to the admission of ex-service men and disabled men to the teaching profession—Circular 1101 of 3rd April, 1919, and leaflet headed "Teaching as a Profession

for Disabled Men." In 1917 a Committee was set up to consider whether special arrangements might not be made in the case of intending teachers whose course of preparation had been interrupted by naval or military service, and to consider, *inter alia*, what special arrangements were desirable for the training of disabled soldiers and sailors and other persons who had served with the Forces and, though they had hitherto received no special training for the purpose, desired to adopt the teaching profession in public elementary schools. The Committee made two Reports in March and December, 1918, dealing with a very large number of topics, and recommended that a special procedure should be set up to deal with the admission of ex-service men to the teaching profession, and that a leaflet should be issued for the information of the Local War Pensions Committees. The circular and leaflet of April, 1919, referred to the Superannuation Act of 1918, and stated that "No contributions will be made by teachers," and in the other case that "No contributions will be required from teachers." The non-contributory pension system set up by the Act of 1918 was undoubtedly indicated as one of the attractions of the teaching profession to ex-service men.

(2) It is very material to observe, however, that this circular and leaflet were issued before the Burnham Committees were set up or thought of, and at a time when the salaries ruled very much lower than those recommended by the Burnham Committees. Whatever inducements may have been held out to ex-service men by the circular and leaflet to enter the teaching profession, it cannot by any possibility be said that they affected, directly or indirectly, the determination of the Burnham Scales. Whatever arguments of another kind may be based on them, I think they are quite outside the terms of reference to this Committee, which is to consider whether, in fixing the present scales of salaries for teachers, any undertaking by the Government or Parliament was given or implied. Regarding the leaflet in the light of the terms of reference, I think it tells rather against than in favour of the teachers' contention. The leaflet says that a trained certificated teacher "may expect to start at from £110 to £130 a year, rising, if he remains an assistant, to £250 or possibly £300 after 15 to 20 years. If he becomes a head teacher he may rise to a salary of £300 or £400, or even more,

† See Qs. 336-340.

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according to the size of the school." It is quite true that the leaflet also says that the salaries "are rising considerably and the prospects are in several ways improving." But the Burnham Scales assigned to men certificated assistant teachers commencing salaries ranging from £160 to £200 a year and rising to salaries of £300 to £425 a year, over a period ranging from 14 to 18 years. Under the Burnham Scales, also, men head teachers may rise to a salary ranging from £330 in the smaller schools under the Provisional Minimum Scale to £637 10s. in the largest schools. It may safely be said that the salary prospects effected by the acceptance of the Burnham Scales are, for the ex-service men who entered the profession under the procedure and owing to the inducements held out by the circular and leaflet, very much better than the salary prospects at the date of the circular, even if allowance is made for a contribution towards the pension system. The question, however, whether these men have anything to complain of is, whatever the answer given to it may be, quite a different one from the question which, I submit, is before the Committee.

Question 244. The answer to this question appears to concede absolutely the proposition that there has been no breach of any undertaking. The general effect of this witness's evidence is that there would be no objection to a contributory scheme if the pensions of Civil Servants were made contributory. The allegation is that a contributory scheme for teachers is a breach of faith. How can the existence or non-existence of a breach of faith depend upon whether some other class of persons are required to contribute to their pensions or not?

497. I think, if I may say so, the new memorandum that you have put in, with the supplementary points with regard to questions which arose on Thursday, put the matter in a clearer and better light from your point of view than your original memorandum. Your case is very much clearer to me now and, I think, stronger. I am only going to ask you to allow me to run through the way in which I have summarised the teachers' case. Knowing that you and the teachers have still to live side by side whichever way the Committee reports, I think that you should, as far as you think it right, agree to their points, while making it quite clear which particular points you

cannot agree to. It seems to me that they would like you to have heard their case in a concentrated form, and to see to what extent you could agree and to what extent you disagreed or did not think matters were material. There are three points which arise out of the Superannuation Bill, and the first is that it was brought forward, not mainly as a benefaction to the teachers, but as a measure necessitated by national interests in order that there might be proper recruitment to the teaching profession, and that, although of undoubted benefit to the teachers, it contained some elements of consideration given by them in return for the benefits, in that, firstly, lower wages for retirements were fixed in normal cases than had been the rule previous to the Bill having passed. That you have dealt with entirely. I see your point about that. Secondly, in that the Treasury obtained a higher rate of interest on the funds transferred to them than was needed in order to provide the pensions for which liability was undertaken. That is quite a small point, but it may be possible for you to let us have some little note on that?—I will send you a note on that. I think Sir James Yoxall meets it on page 2 of his own evidence.

498. If you think that that is a sufficient answer, we will leave it there. I only wanted to give you an opportunity of sending us a short note on the subject.—It is a small point, and I gather Sir James does not press it; but I am quite willing to give you a note on it.

499. Then the third point, which I have already made, is as to there being other pension schemes which contained in some cases more favourable elements than the scheme under this Bill.

500. The only other point is the point I have put to you that the old schemes contained more favourable elements to which you say, firstly, that is already intended to be provided for in Clause 3 of the Bill; secondly, that if it could be shown to you that cases were not properly provided for, you would consider the question; and thirdly, that you believe that there are no actual cases in which previous schemes were more favourable with regard to the particular point I have put as to compensation for widows than the scheme under the Act of 1913.—That is my belief.

501. Then there is this point: in bringing forward the School Teachers' Superannuation Bill, Mr. Fisher not only did

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not suggest that teachers might be asked to contribute towards the pension fund, but gave most urgent reasons why a contributory scheme was undesirable and impracticable—thus giving the teachers a right to expect that the basis of the scheme would not be changed. That you have, I think, mainly dealt with, and you would say that even then an expectation in the minds of the teachers is not the same thing as a pledge or an implied pledge from the Government?—That is so.

502. Thirdly, that an Act of Parliament settling up a pension scheme is, in its essence, and according to all former precedent, an Act which implies permanence so far as the beneficiaries who come within its scope are concerned—"you can always alter it with regard to a fresh set of beneficiaries"—and that such an Act must be held to imply permanence and therefore to be an implied pledge of permanence unless the contrary is expressly declared.—That is a question of public policy. I think, as a general proposition, I do not dispute that. My position broadly is that the conditions have changed in such a revolutionary manner since the original Act was passed that the benefits which the teachers derived from the Act then have been very largely increased, while at the same time their salaries have been increased, that Parliament which, on the teachers' own showing, passed the Act as a measure of public policy, is entitled in the light of public policy to review the commitment.

503. There, I think, comes in the point which you made which I do not think has any specific reference to the pledge, but is, I think, a very important matter—namely, the matter of public policy. If I may say so that is a new point to me as you put it; you shed a new light, to my mind, upon the subject. You say that Parliament, in passing the Act of 1918, must have been held to have some regard to their probable financial commitment arising out of it, and that, although, of course, it was realised at that time that an increase of salaries was due—and, indeed, you said so and have always thought so—yet actually the very considerable increase that has taken place in salaries could not at that time have been foreseen?—That is my point.

504. And that as pensions are calculated and based upon the last five years' salary that a teacher has received, the commitments now under the Superannuation Act are growing very very heavy, and indeed are growing heavier than was then

anticipated, and that being so, it is not unfair as a matter of public policy for the State to ask that a contribution should be made towards those burdens?—That is the case.

505. I have put that point fairly?—Yes, quite fairly.

506. Then we come to the matters we put to Lord Burnham this morning: that the settlement of the pensions' question by the Act of 1918 was thoroughly well-known by both panels of the Burnham Committees, was at times referred to in their discussions, and must be held to have been a material element in the settlement of the scales. That no suggestion that the basis of pension could be altered was at any time made by any one of the Burnham Committees, and that had it been supposed that a contribution of 5 per cent. of salaries would be called for towards pensions the teachers' claim for salaries would have been greater, and would probably in part have been acceded to. Lord Burnham assented to that except with regard to the last Clause. He agreed, I think, that undoubtedly if the teachers had thought soon after the scales were established 5 per cent. would have been taken back towards pensions they would have put their claims higher, would have argued for more; but, of course, he could not say what conclusions his Committees would have come to on that. That is really a matter for the Burnham Committee.—And for the Government; I quite accept that.

507. The next point is, that in some cases the Burnham scales were less than the previously existing scales of local authorities, the teachers' representatives on the panels had difficulty in getting the scales accepted, and repeatedly used as an argument for acceptance the fact that the pension question was permanently settled on a non-contributory basis.—I certainly accept that.

508. That the existence since April, 1919, of the Burnham scales side by side with a non-contributory pension scheme has been a material inducement to people to join the teaching profession, and that the inducement and therefore the recruitment to the profession would have been sensibly less had it been realised that the pensions were to be made contributory. Do you admit that?—I submit that that is an irrelevant consideration. It is an important consideration of public policy, but I submit it is irrelevant.

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509. To the question of public faith?—To the question of public faith.

510. That Mr. Fisher, when it was found necessary to make modifications in the Burnham scales, particularly as to the mode on which the old scales would pass over into the new—the technical matter which you call “carry over”—negotiated these modifications with the teachers and with the Chancellor of the Exchequer in the belief and expectation that while the scales lasted no cut would be made in them as a contribution to pensions, or for any other purpose. It is perhaps difficult to ask you to go into your state of mind at the time, but I think you suggested in your evidence you would have felt bound in common honesty, if you had thought it was likely that a cut would be made in salaries for pension purposes, to say that at the time?—Certainly.

511. Here is a matter which is a supposition, not with regard to you, but with regard to the Chancellor of the Exchequer. The suggestion is that the Chancellor of the Exchequer, in assenting to the scale of the Board of Education's grant towards local authorities' expenditure on salaries, must have had in mind the existing and prospective burdens upon the Exchequer on account of pensions, did not contemplate that these burdens would be relieved by a 5 per cent. contribution from salaries, and had he thought that he was very soon going to be able to recover 5 per cent. of what he was agreeing to give he might not have had to whittle down the scales as he in fact did. You see my point. The specific point is this. You had to agree with him for certain provisions with regard to the carry over. The teachers no doubt would have liked to have a carry over in one step as a second string to their bow. They said make two steps of it; take two years. You finally agreed, I think, broadly, that the carry over should be in three steps. There were two steps before you got to the final step, and they were three equal steps, and not a half, a quarter and a quarter, but three steps of one-third each. The second third is taking place this year. The argument that the teachers may fairly put forward—I am not saying it is pertinent—is that had the Chancellor of the Exchequer foreseen that there would be a return of £1,000,000, or whatever it is, into his funds this year, he might have been able to allow the carry over to be steeper; he might not have had to insist that it

should be gradual.—That is a very hypothetical speculation. I do not consider it is relevant at all to the question of whether a pledge has been given or has been implied.

512. I do not want to press you unduly. Lord Burnham said at once that that sort of thing must have been in the mind of the Treasury when they were arguing with regard to the carry over. Would you go so far as to say that?—My view in general is that the Treasury went as far as they possibly could in assenting, with certain modifications, to the recommendations of the Burnham Committee. It was with difficulty that the Government went as far as they did go, and my submission is that if those teachers who were pressing extreme demands upon Sir James Yoxall and the Teachers' Panel on the Burnham Committee had been successful in pressing their demands, the whole of the Burnham arrangements would have broken down and the salary position from the teachers' point of view would have been very much worse than it is now. In so far, therefore, as the argument from the Teachers Superannuation Act was used, and in so far as it had the effect of rallying the extreme members of the teaching profession to Sir James Yoxall's leadership, and in getting them to accept the Report of the Burnham Committee it has had a favourable effect upon the salary position and not an unfavourable effect.

513. The point I wanted to bring out—I think it is rather a narrow one—is this. We in the House of Commons have often heard successive Chancellors of the Exchequer say that they must have regard not only to the particular financial effect of proposals in a particular year, but to the effect in years to follow. We all of us have realised the financial position of the country for the last few years, at any rate, and we realise that for a few years ahead of us it will be very serious indeed, and it is presumable that with that sort of thing in mind he had to make terms with regard to the carry over being gradual and by successive steps, and had he known that there was going to be something which he did not then expect, namely, a 5 per cent. cut from salaries, he would have been able to afford to be a little more generous with regard to the carry over?—Well, I cannot enter into the Chancellor of the Exchequer's mind.

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514. Then the next point is: That until the Geddes Committee reported, no person deriving any authority from the Government had ever suggested to the teachers the possibility of asking them to contribute out of salaries towards their pensions. That is the converse of your point, which I think is equally true, that they had not raised the question on their side?—That is quite true. I do not dispute that at all.

515. That if this possibility had occurred to the teachers, they would, before assenting to the Burnham scales, have asked for an assurance from the Minister of Education on behalf of the Government that the Government had no intention within a year of the scales coming into operation to take back 5 per cent. of the salaries as relief to the Exchequer, either on account of pensions or otherwise; and that this assurance would have given, and would have amounted to, a pledge within the meaning of the Committee's terms of reference. My suggestion is this. If it had even occurred to the teachers during the time they were negotiating with the other panel and the Burnham Committees, or afterwards when to some extent they were negotiating with you as to the modifications under the scale, that a year afterwards 5 per cent. of those scales would be taken back again, they would at once have said: It has been suggested by some base fellow that it is possible the Government may take back some of this money a year after; we ask for a definite statement from you that that is not in the Government's mind?—I think I have already dealt with that point, but may I refer you to a sentence in my letter of the 26th January, 1921, to Lord Burnham? I said, in reply to a similar question with respect to the formula for the calculation of the substantive grant: "I do not calculate, subject always to the authority of Parliament, an alteration in the formula." I safeguarded myself in that way. Had such a question been put to me with regard to the Superannuation Act, I should certainly have safeguarded myself, and should, certainly, have consulted the Chancellor of the Exchequer, and, indeed, the Cabinet.

516. I agree with you with regard to the safeguard that you expressed in your letter, if I may say so. If I had been a Minister I should have said no one can possibly say what Parliament cannot do what in its wisdom it may think right

to do, but I think I should have gone on to say: I, the Minister responsible for the Pensions Act, 1918, and responsible for the policy of the Board since then, certainly have nothing in my mind as regards the possibility of a 5 per cent. cut in these scales within a year of getting them finally accepted; and although I cannot guarantee what Parliament may do, yet so long as I am Minister for Education, and so long as my existing colleagues continue to be my colleagues, I can give you an assurance that it is not in our minds that there is any possibility of asking for this contribution. Do you think you would have acted differently?—May I make rather an important correction? The Government does not propose a 5 per cent. cut on the scales. Our Estimates for this year are so calculated that the Local Education Authorities will be in a position to pay the Burnham scales to the teachers. We have so calculated our Estimates. We are inviting Parliament, on the other hand, to ask for a contribution in respect of pensions, but the Local Education Authorities will be able to complete their contracts with their teachers under the provisions of the Burnham scales.

517. But you are asking for it to be paid back again, after it has been paid?—Yes, in respect of pensions.

518. I shall put that to you later. It really has no bearing whatever on the financial position of either the teachers or the State whether it is a contribution towards pension or a contribution towards ordinary public funds. My point is, that although I agree you are not asking the Local Authorities to withhold 5 per cent. of the salaries you will be asking, if the Bill now before the House of Commons passes, for the teachers to surrender 5 per cent. of their salaries; and I think there is a clause in the Bill to say that it might be arranged, either by deducting it before it is paid or by getting it back after it is paid?—It is limited, of course, as you will observe, to the teachers who are under the Superannuation Act of 1918, and who will qualify for pensions. A large number of them, of course, will not qualify for pensions.

519. Yes, but to go back, and put yourself in the position which you were in when you were negotiating these scales with the Chancellor of the Exchequer, and, to some extent, with the teachers—though I must not press you unduly on this. Supposing that on one of the occa-

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sions when the Burnham Committees did ask you to confer with them to clear up matters on the points at issue, as Lord Burnham, once or twice this morning, said did happen, they had raised the possibility of the salary being directly or indirectly cut into on account of the pensions; would you at that time have said that, subject to the authority of Parliament, no such idea was in the mind of yourself or your colleagues?—I think I should have said, so far as I was aware there was no present intention of making that proposal to Parliament, but, of course, I could not pledge the Government and could not pledge Parliament.

520. You think you would have said not only as you did in your letter to Lord Burnham, if I may say so quite rightly, that you could not pledge Parliament, but you would have said you could not give any sort of undertaking which would express the present intention of the Government?—It is a very hypothetical question. It is very difficult for me to say what I should have said. I should certainly have considered my answer very carefully, because I was well aware of my responsibility.

521. Do you not think if you had made any statement which was less than the statement that subject to the authority of Parliament you and your colleagues had no intention of altering the basis of the Act of 1918, the fat would have been in the fire very badly, and that the teachers would have been very much up in arms all over the country at the possibility of the cut in salaries?—I quite agree. I think that the whole of the Burnham arrangements would have been thrown out. I think the Burnham scales would have disappeared. I think the teachers would have been, so to speak, surrendered to the tender mercies of their separate local authorities, and I think the salaries scales all over the country would be very much lower than they are now. In other words, my view is that Sir James Yoxall and the Teachers' Panel were most admirable advocates of the teachers' cause. I think that they could not have negotiated the teachers' case with greater skill than they did, and I think that a very large number of the teachers were not aware of the services which Sir James Yoxall and his friends in the Burnham Committees were rendering to the teachers; and their work was very much imperilled by the demands of the extremists.

522. Yes, but for what it is worth, although I think it only establishes the fact that there seemed to be a strong understanding in the teacher's minds, I think you have admitted really that the reason the teachers did not raise the matter before the Burnham Committee or consult you about it was because, rightly or wrongly—perhaps wrongly—they assumed there was no possibility of the cut being made, and if they had raised it and if you had not been able to give an assurance on behalf of the Government, it would have thrown things back into the melting pot a good deal?—I quite agree.

523. The next point is this: That the fact that the teachers felt so secure of their non-contributory pensions that they at no time raised the question of the possibility of their modification, and that had they done so they would have received—I think we might say they might have received—final assurances that this step was not contemplated would have been a definite understanding tantamount to an implied pledge, that no contribution from salaries towards pensions would be asked for during the short time for which the scales were to remain current. You have indicated in your evidence that you do not think that is so. You have indicated that an implied pledge must have something more definite than that?—Yes.

524. The next point is: That Mr. Fisher has stated that "he did not contemplate (subject always to the authority of Parliament) an alteration in the formula for the calculation of the substantive grant" and that "the Government will preserve its engagements with the teachers for that is a matter of public faith." As he has stated also that the Government had no contract with the teachers but only with the local authorities, engagements with the teachers can refer to pensions only. On the assumption, however, that it was not intended to refer to pensions but to salaries—you have made it quite clear that the phrase was used without intending to go into the technical point that your actual engagements are only with the local authorities—taking it to apply, as you say it did—on the assumption that it was not intended to refer to pensions but to salaries, the statements imply that it would be a breach of faith with the teachers, or the local Authorities, or both, for the Government during the currency of the Burnham

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scales, either to require the Local Authorities to reduce them so as to reduce their own contribution, or themselves to make a direct reduction of their contribution. It would, therefore, admittedly be a breach of faith during the currency of the scales for the Government to require a surrender to the Exchequer of the public monies now agreed to be devoted towards salaries. It must therefore also be a breach of faith to require such a surrender for the special purpose of pensions, for, assuming the amounts to be equal, the financial effect, both upon the teachers and upon the national funds, is precisely the same. That is rather an important point from the teachers' point of view, if you regard the teachers who were beneficiaries under the Act of 1918. It is not really a contribution towards pensions in that, if the Bill is passed, it will in no way affect the amounts of pensions given. It is exactly tantamount to a special tax for general national purposes, and you have implied, by stating that the obligations towards the teachers will be adhered to, referring to their salaries, that it would be a breach of faith for the Government to take back 5 per cent. of that towards general Government purposes. They say that in its effect this is exactly tantamount to any other ordinary Government purpose?—Well, is there any instance of a tax which is returned? Those are contributions which are to be returned in the case of teachers not qualifying for pensions.

525. They are to be returned as I think, if I remember rightly, is indicated in the Bill, and, indeed, as will surely be much more convenient to everybody concerned. As a matter of fact, they are not paid and returned, but withheld before they are paid. Surely that is contemplated, and it will, as a matter of fact, be infinitely more convenient than your having to get special cheques and postal orders made out by every teacher. It is, in fact, argued to be then a specific tax on the teachers by deduction from their salary?—Take, for instance, an unmarried woman teacher. She comes into the teaching profession and makes a contribution. She then goes out of the teaching profession, not qualifying for a pension: and her contributions are returned.

526. That sort of adjustment will no doubt have to be done?—A very large number of women do not complete their term of service.

527. Is it not contemplated that, as a matter of fact, in the generality of cases this shall be arranged by a deduction made before the salary is paid, and not by a return of 5 per cent. after it is paid?—We have not yet concerted with the Treasury the regulations under which the contributions are to be made.

528. That establishes the argument in the teachers' mind that this in effect is really simply a 5 per cent. tax on the salaries of the beneficiaries under the Act of 1918, that, in effect, it will not result in any sort of modification on the pension scales, and therefore, in effect, it is simply taking back 5 per cent. of their money for general national purposes. And they say that what you state about the Government preserving its engagements with the teachers, and that that is a matter of public faith, covers contributions of that kind?—The Government regards this contribution as a contribution from those teachers who are going to receive pensions towards the greatly increased cost of the pension scheme which is due to the increase of salaries.

529. With reference to the previous point I was making when I referred to the Bill, here are the words of the Bill, Clause 1, Sub-clause (2): "The Board of Education (in this Act referred to as 'the Board') may, with the consent of the Treasury, make rules prescribing the manner in which contributions under this section are to be collected, and those rules may provide for the deduction of the amount of the contribution from the salary of a teacher by or in respect of whom a contribution is payable, and for the collection of contributions by means of deductions made from time to time from any grants payable out of moneys provided by Parliament which may be applied directly or indirectly to the payment of the salaries of teachers, and for authorising the provisional collection of contributions from or in respect of teachers whose liability to contribute is for the time being in doubt and for requiring contributions provisionally collected but not in fact payable to be repaid." That assumes not only that the deduction may be made by the Local Authority but the deduction may be made in the first instance by the Board in their grant to the Local Authorities. Then comes the question, are you not really pledged by stating that "the Government will preserve its engagements with the teachers for that is a matter of public

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faith," not to make deductions in your grants in respect of the teachers' salaries of that kind, whether in fact it nominally goes to a pension fund—although there is no pension fund under the Act of 1918, it is merely an obligation to pay pensions—or whether it simply goes into the public funds?—Is it argued that the question whether or no the Government has committed a breach of faith depends upon a book-keeping arrangement? Is that the argument?

530. I imagine they would say that the position might be different if it was really proposed to take back 5 per cent. of their salaries, and with that amount to increase the pension fund, but that is not the fact. On the contrary, there is no pension fund, but merely an obligation to pay pensions; and taking back 5 per cent. is quite definitely in effect merely a tax by the nation on a certain class for the benefit of the general financial position of the nation. You see this money will not be paid into a pension fund; there is none. I think that is a substantial argument; I do not say it is conclusive?—I do not think it is relevant. I do not see its relevancy.

531. You see the point?—I see the point, but I do not think it is relevant.

532. You said that the Government will preserve its engagements with the teachers. You have said that that refers to salaries?—When I said the engagements with the teachers, of course I was using a loose phrase. Our engagements are not with the teachers but with the Local Authorities. We have made engagements with the Local Authorities that we will pay a certain percentage of their approved salary expenditure. That engagement we propose to keep. We do propose to pay that percentage. There is also an Act of Parliament which has given to teachers an expectation of non-contributory pensions. We find that the cost of that Act has very greatly increased, and we consider that, in the circumstances in which the country is placed, it is only fair that the teachers out of their very largely increased salaries should make a contribution to the cost of these pensions. That is the proposal of the State. You may consider it unreasonable or reasonable; that is a Second Reading argument. The only question before this Committee is the question of the breach of faith. My point is that no undertaking, expressed or implied, has been given that the Teachers Superannuation Act would not be altered.

533. And I think the teachers are bound to pursue that argument with regard to the breach of faith rather narrowly if you like, and they are therefore bound to try to find words—it is not unnatural that they should try to find words—which expressed or implied a breach of faith, and they hit upon the words that you used, viz., "the Government will preserve its engagements with the teachers for that is a matter of public faith." They say, taking those words in really their narrow sense, which they do not really press, that could only refer to pensions, but they say, of course, accepting your statement that you used them in the broad sense of referring to the Government's contributions towards salaries, if it is a matter of public faith that the Government should continue to pay this contribution towards salaries as long as the Burnham scales are in force, it cannot be other than a breach of that faith to make, as is here clearly contemplated at any rate, a deduction in the contributions of the Board to the salary funds of the Local Authorities, and that it is merely a technical and adventitious question, so far as their position is concerned, and so far as the national finances are concerned, that the contribution, when it is deducted from your grants to the Local Authorities, as clearly it may be under the Bill, should nominally be earmarked for pensions, whereas actually it is merely going into the national Exchequer like every other produce of a tax or contribution?—Does not that argument carry you rather far? Does not that argument really imply that it is incompetent at any time for Parliament to alter the Superannuation Act?

534. No, because your pledge only applies to the Burnham scales?—Oh, no; pardon me. At any moment in history, assuming the percentage grant system to be maintained, the Local Education Authorities will be paying approved salaries in respect of which the Government will be pledged to pay grant. It might, therefore, be argued that the Government was pledged to pay this grant, and that consequently it was impossible to touch the Superannuation Act. Let us assume that all the negotiations for the Burnham scales had broken down. There would still have been salaries paid to teachers all over the country. It is quite true that teachers would have their right to strike, but still there would be salaries paid all over the country in respect of which the Board would be pledged

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to pay grant, and the Local Education Authorities would have the right to expect that grant from the Board, assuming that the salaries were approved. Are we to infer from that fact that it is incompetent for Parliament to review the terms of the Superannuation Act, that it is incompetent for Parliament to take into any account the change in the financial situation of the country, that it is incompetent for Parliament to consider that the cost of the Act has been very largely increased? The salaries have been greatly increased, pensions are going up with the salaries, and consequently the estimates on the strength of which the Bill was first introduced have been largely falsified.

535. I gather that the teachers' point would be that it is perfectly competent for Parliament to do anything it likes as a matter of public policy. They are only arguing it, as they have to before this Committee, as a matter of public faith, and with regard to public faith their argument is this. You, subject to the authority of Parliament, as you clearly express, made an agreement on behalf of the Government?—But, pardon me, do not those words, "subject to the authority of Parliament," which I put on, cut the whole ground from the teachers' contention?

536. No, because I think in the terms of our Reference we have to consider two things. One is whether Parliament was pledged, and the other is whether the Government was pledged. Clearly the words which you say as to public faith being pledged have a meaning, and mean not that you have pledged Parliament in future, but that you have pledged the Government for a strictly limited time, and the teachers would argue that that time is the time of the currency of the Burnham scales, and that those words that you used mean that, subject to the overriding authority of Parliament, you and your colleagues would not propose a reduction of the percentages. I quite admit that if the scales were in fact different, those words would not apply. Those words, I think, were strictly confined to the obligations you had entered into with regard to the Burnham scales, and indeed you have made that clear by saying to us that where Local Authorities already pay more than the Burnham scales you do not give your 60 per cent. towards the excess. I should clearly, therefore, admit that, if different scales are set up, which may be bigger ones, after the expiry of the Burnham Committee's,

you would not have any pledge that you would continue any particular scale of contribution towards that expenditure; but the teachers do say that your words refer to the grants that you, as they suggest, are pledged to make during the currency of the scales, and that therefore it is as unfair, and as much a breach of faith, to make a deduction from those grants, as the Bill suggests, as a contribution towards pensions, as to make a deduction for any other public purpose.—Is it a breach of faith? Let us test that. The Government promise to pay 60 per cent. in aid of the approved salary expenditure of Local Authorities. Is it a breach of faith for a Local Authority to collect a dog tax from a teacher?

537. Yes, if there is a special tax on teachers' dogs?—Or a contribution for insurance?

538. Yes, if there is a special tax on teachers' insurance, which does not apply to any other public service. I think they would argue that in any form it was unfair to take back from this special class, namely, the teachers, a tax on their salaries for public purposes just for the few years until the Burnham Scales have expired?—Well, I do not assent to it.

Sir William Joynson-Hicks.

539. Assuming I drop out of my questions anything with regard to an express undertaking by Parliament, will you agree with me that an implied undertaking depends really upon the meaning of the word "implication"?—That is a safe proposition.

540. And that what is an implied undertaking depends upon a collection of various acts or statements which have been made or done by the person who is charged?—Not entirely. I think there is also another feature that has to be considered. I think when you are considering a course of public policy generally you have to consider the character of the times in which you live. We are at present living in very revolutionary times, so far as prices, salaries, and cost of living are concerned, and the Government—as the history of our relations with agriculture sufficiently shows—has had, unfortunately, to alter its course on more than one occasion. If you are taking the view broadly from the point of view of public policy, I think there is an element of uncertainty existing in public policy, due not to the fault of any individuals, but due to the circumstances

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under which we are now living—the economical convulsion of the country. There is an element of uncertainty which is not there in normal times, and I think that must be taken into account.

541. I agree with you entirely that Parliament has the right to do anything it likes. Are we not called to inquire here whether there is an implied understanding which Parliament has allowed to get into the minds of certain people, and subject to that implied undertaking Parliament, of course, may override it. What we have to find out is whether there was an implied undertaking by Parliament, and to find out that implied undertaking is the only way to do it to find out any circumstance which affects or could properly affect the minds of people who regard it as an undertaking? You would agree with that, would you not?—That would certainly be relevant.

542. Now may I refer you to the document which has been referred to already, with regard to "Teaching as a Profession for disabled men"? I find that your Department issues a document in which it lays down statements about teachers' pensions in order to get disabled men into the teaching profession, and that there is this definite clause: "No contributions will be required from teachers." Is not that such an act as might lead teachers to assume that there was an undertaking that a non-contributory pension scheme would be in existence?—I think I should answer that by saying that a person is attracted into a profession not by one particular advantage attaching to it, but by the sum of the advantages attaching to it, and if, for instance, after a man has entered the profession one of the advantages becomes less advantageous, while other advantages become more advantageous, and if he finds that so far from his actual position having been deteriorated it has actually improved, I think he has no grievance.

543. Forgive me: is not that a little unfair as assuming that that is what most attracts every individual? What attracts one individual may not attract another individual. May not an individual say, "The thing I want in life is a non-contributory pension. Now I find the Government setting out a pension scheme, and that no contribution will be required from teachers"?—The Government, of course, in the Circular I alluded to did not only speak of the pensions, but spoke of the salaries, and they

detailed the salaries. The case I submit is that the salaries have very considerably increased since those circulars were issued. Even assuming that a 5 per cent. contribution is taken from the teachers, the position of the teachers in the future will still be a great deal better than the position that was held out to him in those circumstances.

544. I quite agree. By-the-by, when you say "5 per cent.," if your view of the implied undertaking is accurate and correct, there is no limit to which Parliament might assess the teachers' salaries, whether 5, 10, 15 or 25 per cent. There would be no breach of faith. It is merely a matter of public policy?—Yes, it is a matter of public policy.

Chairman.

545. Are you not going too far? I am quite willing to accept it if you do say that. My point of course is this: I think on my argument that that is true, namely, that this is simply a tax on teachers for general public purposes, but I should imagine from your point of view you would limit the amount which could be properly taken from the teachers as not exceeding the total amount of the burdens which the State might have to bear on account of pensions?—Of course, that is obvious.

Sir William Joynton-Hicks.

546. I think you told us that these pensions may run to £10,000,000 or £12,000,000 a year?—I think the Government Actuary's calculation is that on the assumption of the universal adoption and maintenance of the Burnham scale, and on the assumption that the number of teachers remains as now, the ultimate cost will come to £9,500,000.

547. The ultimate cost being £9,500,000, there is nothing in the way of an implied undertaking or an expressed undertaking to prevent Parliament raising the contribution to such a sum as would bring in £9,500,000?—Well, of course, it would be obviously very unfair for Parliament to do that.

548. Why? Parliament has given no undertaking. Why should it not do so?—It has given no undertaking and no pledge, it is perfectly true, but it would, I think, be most impolitic of Parliament to do so.

549. It might be impolitic, but on the strict basis which the Government is put-

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ting forward here that there is no undertaking expressed or implied, why may they not say we think the teachers should pay the whole cost of their pensions as a matter of public policy, the safety of the realm, the financial position of the country, the revolutionary costs, and so forth?—That, of course, is a broad question of policy. It appears to me that I can imagine the financial position of the country being such that it was impossible for the Government to pay any pensions to anybody.

550. If that came about and the Government decided to make the contribution £9,500,000, which would be practically 20 per cent. of the salaries, the teachers would have no moral grievance, no breach of faith to complain about. Surely that must follow, does it not?—I do not think there would be any breach of faith.

551. No breach of any undertaking?—I do not think there would be a breach of faith. I think breach of faith is one thing and a ground of moral objections another.

552. But there would be no breach of undertaking?—I do not think there would be any breach of undertaking.

553. When you say five per cent., it might be much more without any breach of any undertaking?—That is so.

554. You do not regard the statement in that leaflet as being a point upon which I, as a teacher, may say, "My pension is safe at all events; this is issued by a Government Department"?—I think that a teacher coming into the profession on the basis of a pamphlet of that kind would have a very reasonable ground for objecting if his general position was deteriorated by the action of the Government after he had come into the profession, but the case that I am putting is that that has not arisen.

555. Have you had your attention called to another circular issued on the 18th November, 1920, at Leeds, in connection with the Training Department of the Ministry of Labour, to get ex-service men?—This was after the Burnham Scale. That circular states: "Those who pass this examination will be recognised by the Board of Education as trained certificated schoolmasters eligible for employment and pension as such." That must refer to the pensions in existence in 1920?—I quite agree.

556. Do you not think that is another small straw upon which the teachers were entitled to say our pensions are clearly

non-contributory?—I do not think that is disputed. I think that so long as a non-contributory pension scheme is on the Statute Book, that is the basis upon which everybody goes. But the point I was putting to the Committee was that this is an argument against ever altering the teachers' superannuation.

557. What I am trying to find out is this. You will agree it is always very difficult to find out an implied undertaking, and it can only be found out by a succession of small events which in the minds of reasonable men imply an undertaking. It is a question for a jury, one may say, whether the Acts of Parliament and its Ministers were such as to imply an undertaking in regard to this non-contributory scheme. That is fair, is it not?—I do not think that is unfair. I should have thought that the really important point was not the inferences that were actually drawn because they may have been erroneous inferences, but the actions and the public declarations of the Government itself. When you are asking whether the Government has committed a breach of faith, surely what you have to study are the documents which the Government has put out, the speeches that have been made by members of the Government, and you have to consider whether there has been any undertaking actually given.

558. Not actually given, but implied. I am not contesting at all the question of undertaking given?—Well, actually implied.

559. Is it not a question whether the speeches and acts and documents entitle, not an erroneously-minded person, but a person of reasonable mind to infer an undertaking?—Yes.

560. Have you referred lately to your very excellent speech on the Second Reading of the 1918 Bill? Have you refreshed your memory with that at all? Is it not fair for a reasonably-minded teacher to say: "Here is Mr. Fisher, in 1918, and ever since that date, completely demolishing contributory schemes. He has said that they cannot be done, that it is desirable to have a non-contributory scheme." You know your speech. I need not trouble you with the details of it. Is not that it? If I am a teacher and read your speech, and I am convinced by your arguments that a contributory scheme is quite undesirable and undesired either by you or the Government, is not that such a point as may come into my mind to influence me as a reasonably-

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mindful man that a contributory scheme will not be brought forward?—I think that is quite a reasonable inference. But, on the other hand, the arguments against a contributory scheme were arguments very largely based, so to speak, upon the mechanics of the plan. They are not arguments really directed against the reduction of the cost or the limitation of the cost to the cost implied in the estimates which were then furnished to Parliament. And, of course, the reduction of the cost may be obtained by another method—by the reduction of benefits.

561. But you will agree that your speech was a pretty important speech, from the point of view of practical mechanics if you like, in indicating that it was undesirable to have a contributory system?—There are undoubtedly mechanical difficulties.

562. I think there is something mentioned in Clause 6 of the Act, to the effect that "Nothing in this Act shall give any person an absolute right to any superannuation allowance or gratuity." You do not rely on that?—Oh no, we do not rely on that.

563. That was discussed in the Act. There was a sentence in a speech by Sir James Yoxall in this debate which I think is of some importance. Sir James Yoxall, speaking in that debate, referred to this. He said, "What is the justification for spending this money? Surely it is to obtain what cannot be obtained in any other way by the country—a proper supply of teachers. This I understand to be a business arrangement between the Board of Education and the nation. The Board of Education say to this parent or the other parent, give your son or daughter to us as a teacher and we will guarantee on retirement by a certain age that your son or daughter will receive no less than a certain proportion of the salary earned at that date." That surely was a statement on behalf of the teachers uncontradicted by you at the time or by anybody at the time, and there was no need to contradict it?—That was in 1918.

564. In 1918. A reasonable man would be entitled to assume that that was accepted by the Government, and therefore they might assume that people going into the teaching profession would get a non-contributory pension?—If it was on the Statute Book, of course.

565. It was not then, but it was going to be?—Yes, it was coming.

566. Now you rather take the view that, in spite of all that, because of the

doubling of the teachers' salaries by the Burnham Scheme, the Government is entitled, even if there was an implied undertaking I suppose, to make these pensions contributory?—I have not said that.

567. Are you not forced to say that logically?—No, I do not admit that. What I do maintain is that the financial situation of the country being as it is, and the cost of the scheme having so very largely increased, the Government is entitled, having regard to those two sets of circumstances, to ask Parliament to revise the Act.

568. May I ask you a personal question? When the Burnham scheme was passed you agree you did not make any suggestion to the teachers that there would have to be a cut in pensions. Did it occur to your own mind?—No, it did not. There was no intention on the part of the Government at that time to make the Act contributory. The proposal was first suggested by Sir Eric Geddes' Committee. It was a suggestion which the Government, after very careful examination in the Cabinet, came to the conclusion was a suggestion which should be adopted, having in view the financial situation of the country.

569. I quite agree that the financial situation of the country, assuming there is no implied undertaking, thoroughly authorises this cut. But you have rather put it to us to-day—at least I think you have—that after the Act of 1918 the Burnham scale so put up the teachers' salaries that it was perfectly justifiable that they should pay a contribution to their pensions.—I think that is so.

570. Forgive my pressing that point. Why did it never occur to you till the Geddes Report?—I am naturally very anxious that the teachers should get to work, and that they should dismiss all these questions of salaries and pensions from their minds. I regard the unrest in the teaching world as a very great social disadvantage and danger. I wanted them to settle down. Therefore, as I said in the House when I introduced this Bill, personally I should have been very glad if it could have been postponed. At the same time, I think it is justified, having in view all the circumstances in which the nation is placed, and I do not think that the Government are stopped from making this proposal by any pledge which has been given.

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[Continued.]

571. I want to get really which leg you are standing on; whether it is the leg of the financial difficulty of the country or whether it is that the teachers have such big salaries now, salaries undreamt of in 1918, that they ought, as of right, to make a contribution towards their pensions. Do you say they are really being overpaid now?—I do not wish to commit myself to that. What I say is that both sets of circumstances are relevant if you are considering the broad question of public policy. The fact that the teachers have much better salaries, the fact that the cost of the scheme has increased, and the fact that the nation is very much in need of money—I think all those considerations are relevant.

572. With regard to the Burnham Scale is it fair to say that the Department push the Burnham Scale where they can; they prefer that Local Authorities should pay the Burnham Scale rather below it?—We have never made any pronouncement on that. We have never used pressure on Local Authorities to pay the scale. We have merely asserted that where the scales are paid we will pay a grant.

573. What about where they are not paid?—We do not interfere.

574. You do not pay grant?—Oh, yes; we pay grant.

575. Suppose they paid a lower scale, you do not exert pressure?—Oh, no; we pay grant.

576. Supposing you were at the time of the Burnham Scale an elementary teacher with liabilities that attached to a married elementary teacher, and so on. Knowing first of all your speech and the Act of Parliament, and knowing that nothing was ever said to the contrary by you or anybody else in an official position, would you, as a teacher, have expected that this cut should come?—I believe, as a matter of fact, most teachers did expect to have some kind of reduction this year, in view of the great cry for economy and the situation in which the country is placed.

Chairman.

577. In salaries, or towards pensions?—I think generally. I believe that was a very widely spread expectation amongst the teachers.

Sir William Joynton-Hicks.

578. You think really there was an expectation of that amongst the teachers?—I have had indications of it.

579. That does not quite answer my question. You as an ordinary reasonably-minded man would not have thought yourself that there was any implied understanding on the part of the Government that during the Burnham Scale at all events the Act of 1918 would not be interfered with. Would you have been rather surprised and hurt if it was interfered with?—I should not have liked it, of course. It is a disagreeable thing, of course, both for the Government to make the proposal and for the teachers to pay the contribution. Everybody realises that. Everybody regrets it. I regret it, of course, more than probably anybody. But I thought it my duty as a Minister of State and having regard to all the circumstances in which we were placed to accept the economy.

Mr. Spoor.

580. Just one question on the matter of the implied pledge. Lord Burnham told us this morning—and he merely confirmed what every other witness has told us since the Committee began its work—that a very essential factor in the minds of the Burnham Committee when they set up their scale was the existence of the 1918 Act. Now, when the Government accepted the Burnham Committee's recommendations, was it not also a very essential factor in their minds?—I am not quite certain what you mean by that.

581. I mean this. Did not the fact that the 1918 Act existed powerfully determine the Government's policy in finally adopting the Burnham recommendations?—No, I do not think we thought about the Act at all when we adopted the Burnham recommendations. We were considering the salary arrangements for the whole country; we were very anxious to get the salary question settled on a national basis. The Burnham Committee had done a good deal of excellent work; they had taken a good deal of trouble; they had at last produced an agreed scheme, and, subject to certain modifications and alterations, we were very glad to accept the scheme.

582. But you would hardly adopt that without remembering the existence of the 1918 Act, which after all was a very important factor in the whole situation?—The 1918 Act was of course on the Statute Book, and as I have already pointed out it was not at that time the intention of the Government to introduce a contributory system.

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[Continued.]

583. My point is that recognition by the Government of the Act and the acceptance by them of the Burnham scheme really makes the Act in its form at that time part of the bargain?—That I do not accept. Our bargain, so far as the bargain goes, was with the Local Education Authorities. We said to the Local Education Authorities, if you like to pay the bonus we are ready to pay grant upon this. We did not exercise any compulsion upon the Local Authorities to pay these scales. A great many of them are not paying these scales.

584. As you just now told Sir William Joynson-Hicks, and as you have repeated to me, the Government had no intention at all to make the Act contributory. My argument is that that fact in itself makes the Act part of the bargain when they adopted—?—The bargain between whom?

585. If you call it a bargain—I mean the adoption of the Burnham Committee's recommendations?—Are you not really implying by that that the fact that the Superannuation Act was on the Statute Book has resulted in the teacher putting up with lower salaries than they would otherwise have obtained?

586. I am suggesting that the existence of the 1918 Act did to some extent influence the Government in accepting the Committee's recommendations. I mean they would naturally, one would imagine, look at the whole thing together, and to that extent, of course, I am inclined to think that a pledge is certainly implied?—I do not follow.

587. You do not agree?—No.

Chairman.

588. Sir James Yoxall has just asked me to put one point to you. I think it is desirable that I should, because there might be a slight misunderstanding otherwise. You stated in the first part of your evidence that you thought the question whether the representatives of the teachers induced teachers to accept the Burnham scales by referring to the advantages of the Superannuation Act, was one of the questions which you considered of really no material importance. Sir James wanted me to put to you this point, which you will remember as having occurred in the House of Commons the other day. When Lord Robert Cecil asked the Leader of the House to give a definite assurance as to whether the motion would enable the teachers to raise

the point which was raised in the debate on the last occasion, namely, that they did in fact accept the Burnham scale because they understood that they were also to have the non-contributory principle, Mr. Chamberlain replied: "It will enable them to raise the question." There is no discrepancy. It only makes clear that Mr. Chamberlain said that question could be raised, as it has been raised. It does not take away your right to think it not very relevant. Still you admit that that did occur?—Yes.

589. The only other point is this. I am anxious, as I said some time ago, that you should not say more in combating the teachers' case than is necessary in order to make the position that you have made. Just now you rather rehearsed the matters which were relevant; you mentioned the great increases in the salaries, and the decrease in the cost of living, etc. Is it not fair to the teacher to remember also as a relevant fact—which I mentioned before and which I think you agreed to—the very late date at which in very many cases these increases of salaries have actually taken place?—I quite agree with that. In fact I have said as much in Parliament.

590. You will agree with me that that is rather often lost sight of in discussions of Local Education Authorities and elsewhere. They rather assume that the salary of the teacher went up, say, with the agricultural labourer, or with the coal miner or engineer, whereas, as a matter of fact, in very many cases it did not go up at all until after the war was over?—I think that is a most important point, and ought to be brought out.

591. You regard that as a relevant question in that question, though not in our question?—In the general question.

592. In the general question of present public policy with regard to adherence to the Burnham scales?—Exactly. I regard that as important.

Sir William Joynson-Hicks.

593. One question I had forgotten to put to you. You mentioned in your statement that so far as the argument of non-contributory pensions could be used by Sir James Yoxall to extremist teachers, it was used?—I entirely accept it. Of course, I have no official knowledge of it, but I accept everything Sir James Yoxall says. He is a most fair controversialist.

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[Continued.]

594. And you think he was justified in using it, and that it had an effect?—I think he was perfectly entitled to refer to the Superannuation Act.

595. Do you not then think that the extremists would now be entitled to turn

round on the unfortunate Sir James and rend him. They would say, "You misled us"?—Sir James would have an answer, no doubt.

596. Very well, I will leave it to him.—I think you can safely leave it to him.

Mr. F. J. LESLIE called and Examined.

Chairman.

597. Sir James Yoxall, I think it was, in his evidence suggested that you might be of material assistance to the Committee, and although it has meant, I am afraid, bringing you down from Liverpool. I am sure you have been glad to come in order if possible to help us in what you must recognise as a very difficult task, and we thank you very much for coming. You were, I think, Secretary of the Local Authorities' Panels, were you not?—Yes, I am still honorary Secretary of the Local Authorities' Panels of all three Burnham Committees.

598. I do not want to take you right through the teachers' position as I put it to Lord Burnham and to Mr. Fisher this morning, but we should be very glad indeed if you could say what you think would be useful to us with regard to any matters coming under your personal knowledge, and particularly as to a quotation made, I think, from a memorandum of yours of April, 1922, to the Association of Education Committees of England and Wales with regard to the statements made by the Burnham Committees that the existence of a non-contributory pension scheme was borne in mind when new salary scales were fixed. That is a comparatively small point. We might clear that out of the way at once. What did you mean by that?—What I meant by that was this. It is not worded quite as accurately as it might be, I agree now, in the light of subsequent events; but what I meant was, that although the Burnham Committees, as such, made no official pronouncement about the pensions, still the members did. It was a constant matter of conversation in the panel, in which no record of the proceedings was kept, but it was a constant matter of talk there that the panel might be rather more strict than otherwise they would have been in meeting the teachers' demands because there was this non-contributory scheme of pensions behind them which they had just quite recently got.

599. It is only a slight modification, but your statement would be correct if you had said: "It is only fair to recall statements by the panels composing the Burnham Committees"?—Yes, or "by members of the Burnham Committees."

600. Then, with regard to the wider point, I think we all agree that on this matter of the recent settlement of the scales, the pension must, as you say, and Mr. Fisher quite agreed, have been in the minds of all the members of the panels?—That was so.

601. And I think, perhaps, you would agree with the further point that, I think, emerged this morning, that if the teachers had thought that within a year, or a little more, of the approval of the Government to pay the agreed proportion of the salaries' scales decided upon by the local authorities, there was going to be a cut into those salaries of 5 per cent., they would have increased their demands, and their case would have been put higher before the Burnham Committees?—Yes, I think that clearly is so. I can remember very well at one of our meetings spending, I think, most of the day on arriving at a maximum, what they called a "key figure," of a certificated assistant's salary.

602. In an elementary school?—Yes. The teachers demanded £450, and we were willing to give £425. We spent all day on that, or a great part of the day. Now, if you notice, that is as near as possible 5 per cent. on the £450, a difference of £25. They laid the greatest possible stress upon that amount, and they said they could not live on less than that, and that was the least amount that a teacher ought to go to, and we argued it and retired into panels and discussed it, and in the end they accepted £420, but I am quite sure they would not have accepted that £420 as the key figure if they had thought that their 5 per cent. which we were discussing was again coming off what they accepted. We should never have got to an agreement.

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603. So, in your opinion, although, of course, I cannot ask you to say what would have happened, you think that, as a matter of fact, if the position had been recognised to be then what it now appears to be possible to be, they would, in that instance, at any rate, have got higher scales?—I think so. I think we should not have got the agreement we did with them in that case.

604. Is there anything else arising out of the position as we discussed it this morning, or the position as it appears to you, that you think you can usefully lay before us?—I can only emphasise the point that we did have the greatest difficulty in coming to the agreement with them, and that I am quite sure that if there had been this element of uncertainty about the pensions we should have had infinitely more difficulty.

605. Just as one who is very intimately concerned with the whole thing, can you express any opinion at all about what must be a matter of supposition—the case did not actually arise—as to what would probably have been the position taken up by the Government if it had occurred to anyone during the discussions of the Burnham Committees that there was a possibility of this 5 per cent. cut, and if the matter had been raised with the Minister of Education? Did anything happen during your meetings or negotiations; did the Minister of Education suggest to you that, if that had occurred, he either would or would not have given any understanding on behalf of the Government that there was no intention of making the cut?—No, I cannot say that. I should imagine that what would have happened would have been that the Ministry at once would have said: “Well, you have got your Act of Parliament; refer to that.”

606. If he had said no more than that, that would have, at any rate, given the teachers the understanding that, subject only to the overriding authority of Parliament, there was no present intention in the minds of the Government, at any rate, to modify the Act?—It would, and no doubt that was the impression. Nobody ever dreamt of considering the modification, of course; it was looked upon as a settled thing.

607. I do not press you to answer this question unless you would like to. Do you feel personally that that amounts to an implied pledge?—Well, we do feel that. My panel does feel that. Last week we

had a meeting of the Executive Committee of the Association of Education Committees, which represents 260 out of 316 authorities, and that is comprised of about 50, members representing 50 education authorities, and we had a discussion as to what the position of the Executive would be with regard to this very notice of motion for our meeting next week which has been mentioned this morning, and we all came to the unanimous conclusion that we should take the line that we had been parties to a bargain, and that we had been authorised to make a bargain, and that none of the parties who bargained ought to disturb it, and that we are prepared to back it up.

608. I see that clearly is important, I think; that applies to the bargain between you and the teachers. It applies also, I think Mr. Fisher admitted this morning, to the contribution towards your expenditure which you expect the Government to make. But do the facts as they were known to you seem to you to imply a pledge with regard to a cut in salaries for the purpose of pensions?—We do look upon the facts as constituting a pledge: that the Burnham Committee in fixing the salary scales were entitled to rely upon the continuance of the benefits given to teachers by the Superannuation Act. That is how I put it.

609. The persons whom you represent would not therefore distinguish, so far as the question of pledge is concerned, between a pledge, first, from themselves to the teachers with regard to the scales of salaries, and, second, a pledge from the Government to authorities with regard to the contribution towards those scales, and, third, that they may not disturb their contribution during the currency of the scales as they now propose, by making a cut into the scales for a specific purpose as alleged, namely, that of pensions; you regard those matters as all being covered by the same region of public pledge, do you?—That is so. The way we look at it is this. We present our scales to the Government in October, 1920, and we wait some months before we get an acceptance of those scales. Then we get an acceptance of them, and we are told to allocate those scales to the different authorities throughout the country. We thereupon do that, and in April last year we present our allocation, and in June it is, after consideration, confirmed. Then we say that it does not look like keeping good faith with us, if we have made an

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allocation on the basis of those scales, which has been confirmed by the Government, and then only a very few months afterwards they come and say: "Oh, yes, we confirmed those scales, but now we are going to take 5 per cent. off them because we think they are too high, or we want the money for some other purpose." We say that is not keeping faith.

610. You say that, whether the purpose is for ear-marking the money for pensions, or whether it is simply for the relief of the burdens of the taxpayer?—We should say it is still worse if it is only for relieving the burdens of the taxpayer, because that is taxing a particular class for the general benefit, which is hardly right; and we do not see that the position which would justify such a tax has materially altered since last June.

611. You hold, in fact, that at the time the Burnham scales were set up there was an implied pledge that the pension basis should not be altered, and you do not see anything which has modified the position since then. Is that so?—That really is the position of the authorities. I may just say, although it is perhaps a side issue, that I have had some letters from the authorities putting this position. "The Government are going to take 2½ million from the teachers' salary which has been paid to them; we authorities have paid a million of that. Are not we going to get our million back, or is the Government going to put our million in its pocket as well as what they have paid themselves?"

612. That, no doubt, will be gone into when the Bill is being discussed?—I quite agree, but that is a point of view which is tenable to some extent.

613. Have you any further points that you would like to put before us before I ask my colleagues to ask you any questions?—I do not think so. It has been so very fully gone into; Lord Burnham was so very clear on all the points this morning.

Mr. Grant.

614. Did you yourself and those associated with you realise when the scales were settled that it would have been quite impossible for the Treasury to have given any more?—We were told so. We did not know, of course, what their ability might be.

615. If anything more had been insisted upon, the negotiations would have broken down?—Yes; the authorities

would not have consented to anything further, I feel sure, under all the circumstances.

Sir William Joynton-Hicks.

616. You represent the Local Authorities, but not the teachers?—That is so.

617. Are you a member of a Local Authority?—I have been a member for many years. I was a member of the Liverpool Education Committee and chairman of many of its Committees for a great many years, and then I gave it up in order to attend to education more generally.

Mr. Holman Gregory.

618. Am I putting the effect of your evidence unfairly if I put it in this way: You say: "In existing circumstances we arrived at the Burnham scale"?—Yes, taking all the circumstances into account.

619. "In the then existing circumstances we fixed the scale. If those circumstances had not existed we may have fixed a different scale."—Well, that might be so.

620. Is not that your case? I do not want to misrepresent it, but I want, if possible to put it in a short form?—It would depend what the circumstances were. One always legislates for existing circumstances.

621. I agree with you; that is why I was putting the question in that particular form. Is not that the effect of your evidence? "We had certain circumstances before us which influenced us in favour of that scale. If we had had other circumstances before us, that is to say, if we had thought that the pension scheme was not going to be non-contributory, we might have arrived at another scale."—That is so.

622. That is the position. Now is there anything beyond that, that amounts to an implied pledge?—I do not think that question of faith is for me.

623. Yes. You, the authorities, say: "We look upon it as an implied pledge." Is there anything beyond what I have now suggested to you in a few words, which creates the implied pledge?—The circumstances as they then existed did involve, in our view, a pledge and an undertaking to some extent.

624. A pledge and an undertaking that Parliament would not alter an Act of Parliament?—That the Government

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would not, having sanctioned our scales, come forward and say: "We agreed to your paying the teachers so much for one thing and now we are going to take something away for something else."

625. But that is not the Education Office. What we are now discussing is whether Parliament should do it, not whether the Education Office should do it. What is now being discussed in the House of Commons is whether Parliament should do it?—Whether the Government should do it.

626. Yes, if you like, whether the Government should do it?—Well, the Government was a party to the scales.

Colonel Stephenson.

627. I think you said that £420 was agreed upon as the correct figure below which a headmaster could not live?—Oh, no. That was agreed upon as the maximum to which the assistant master's salary might grow after a great number of years of service.

628. But it was reduced to £425. I understand £450 was the basis of the discussion and it was cut to £425?—There were two bases of discussion. The teachers said they wanted £450 and the authorities said they would not give more than £425.

629. That comes to the same thing. That discussion was taking place in 1920 and 1921, was it not?—Yes.

630. If the same discussion were taking place to-day, with the fall in the cost of living which has taken place since then, do you think you would have arrived at the same figures?—Yes, I think so, certainly, and I have explained why. The cost of living had practically no effect as a factor in the scales we settled.

631. Do you mean to say it was not taken into account at all?—No, it was not taken into account. I will tell you why; it sounds startling.

632. I remind you of your remark to the Chairman, I think it was, that the discussion between £450 and £425 was what it would cost a man to live. It was on cost of living, I think?—No, I did not say that.

633. I think that answer is on record.

Chairman: We shall be able to refer to it, if it is.

Witness: The position is simply this. At a point in the negotiations the teachers made a very great feature of the scales which were being given in the Civil Service, and in various directions, and they said: "What you are offering us is not

enough; it is not in proportion to what others are getting." We said, "Very well then, you must make your choice. If you want a scale proportionate to the present cost of living, then it must be a sliding scale and must go down. If you want us to make a scale which will hold good for a number of years to come, on what may fairly be estimated to be the cost of living when it does come down, we will give you that scale; and you must make up your minds which you want"; and they actually took it into consideration and came and told us: "We will have a permanent scale; we do not want one that goes up and down." Therefore we made a scale which we considered would be applicable to the cost of living for the next three or four years, for the time we have limited it to.

Colonel Stephenson.

634. Apart from the question of any claim, you would say that, although the cost of living has gone down, that does not affect the question?—That does not affect the question. I may say that what we had in our own minds was to base our scales on an amount about 50 per cent. above pre-war prices; and they have not come down to that yet.

635. Then, again, apart from the pledge, is it not the fact that teachers' pensions are now costing the State far more than was the fact in 1918?—That must be so.

636. That must have affected the minds of the Government?—It must have affected the minds of the Government when they sanctioned the scales.

637. It ought to have done?—It ought to have done. They ought to have said: "We cannot have your scales, because look at the amount it is going to put on the pensions."

638. You talked about an implied pledge. I did not quite gather what your implied pledge was. Can you say what was the implied pledge for the future, not for the moment, but the pledge for the future, given by Parliament, seeing that an Act of Parliament only holds good unless amended or repealed?—What I think the implied pledge by the Government was, was this: "We are sanctioning your scales, which run out in 1923 and in 1925." I think we were entitled to suppose that the Government had it in mind then.

639. You have told me that they had not got it in mind?—We were entitled

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to suppose that they would not during that period alter the conditions upon which we had made the scales.

640. But is not that a confusion of thought between implication, inference, and assumption?—It was a legitimate inference, was it not, that if you take a thing to a man and he sanctions a specific thing for the benefit of somebody, you do not suppose that he is going, before that benefit runs off, to take it away in some other form?

641. Do you not think there is a great difference between their action in the case of the amount of salaries they agreed to grant to the local authorities and their action with regard to pension? Lord Burnham wrote in January, 1921, to the Minister of Education, and the Minister of Education did give something in the nature of a personal pledge, at any rate; it was, of course, always under the authority of Parliament; it was a guarded answer. But in regard to pensions, although we are told it was such an important factor, they were never asked the question about that at all?—No, they were never specifically asked.

642. Now, how can they give an implied pledge in regard to a matter about which they have never been asked and which was never raised?—I think they certainly can. They can give an implied pledge that in giving something with one hand they are not going to take it away with the other.

643. But they are not giving something with one hand. The salaries of teachers are not paid by the State?—60 per cent. of them are.

644. But the teachers would be very dissatisfied if they only got 60 per cent. They want 100 per cent. of their salaries?—But 60 per cent. of them are paid by the State.

645. But they pay something which is far below the Burnham scale in the case of 17 per cent. of the authorities in the country?—There is no authority in the country paying below the Burnham scale.

646. Then when we got the evidence that 17 cent. are not paying the Burnham scale, they are paying above, are they?—You are getting wrong evidence.

Chairman.

647. It is a question of the provisional minimum, is it not?—Yes, the provisional minimum is one of the Burnham scales, and there is not an education authority in the country who is paying less.

Colonel Stephenson.

648. You know there is to be an Educational Conference in Sheffield next week, probably?—I do.

649. And you have probably seen a copy of the resolutions?—I drew up the agenda you referred to this morning.

650. Then I need not refer to it again, except to point out that there are four or five education authorities, including important places like Nottingham, which are going to move resolutions for the revision of the Burnham Scales in a downward direction?—Of course in 317 authorities you will always find some dissatisfied ones, but I do not think you will find any of those resolutions are carried.

651. That may be, but they are there in print?—Some people would like to pay less if they could, undoubtedly.

652. But you say nobody is paying less?—Nobody is paying less than the provisional minimum, and that may continue under our own scales until next October.

653. But so far as the pledge is given, which you say was implied, it is purely a negative question; it simply means they did not say they were going to alter the pensions and therefore you assume they were not going to alter them?—No, I think it is an implied, positive pledge that they will not give the teachers what they said they would give them, and then take something else away a month or two afterwards. That is where I think the pledge is positive.

654. But they never said they would give the teachers something. We have had it in evidence that the Government put no pressure whatever on the local authorities to pay a particular scale of salary?—No.

655. All they are concerned with is that they shall not pay the grant on too high a salary, that the Treasury shall not pay the excess. Now you cannot call that giving the teachers a pledge that they shall have certain salaries. The engagement of the teacher is made by the local authority and by bargain with the local authority. All the Government say is that they will pay a grant on a certain scale and they will not pay more. Now how can you say, as a deduction from that, that therefore they pledged the pensions shall not be altered?—The Board of Education intimated to every authority what the scale was on which they were prepared to pay the grant, but of course if an authority says: "We

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insist on paying less," the Board are not likely to say: "You must pay more and we will pay you more grant than you want."

656. That means that if an authority pays less, the teacher does not get so much?—Obviously.

657. Then I cannot see how saying they will pay grant up to a certain amount has anything to do with a pledge that they will not alter an Act of Parliament in relation to pensions?—I am sorry, Sir; but I think we do.

Sir Ellis Hume Williams.

658. Do you put your case as high as this: that if you had known at the time that the Burnham scale was approved, that there was the chance of any contribution being called for, you would not have approved it?—We do not say we would not have approved it, but we say that we feel sure the teachers would not have accepted it.

659. I am asking for your view?—No. We did not want to pay a high scale; we wanted to pay a low one.

660. Do you think, from your experience, that if anybody had mentioned such a fact as the possibility of a 5 per cent. contribution, the whole negotiations would have broken down?—If they had not broken down, they would have had to be taken up on an altogether different line. I should say our negotiations at that time would have broken down.

661. Does it come to more than this, that neither party thought of it at the time?—Nobody on earth thought of it at the time, and, therefore, of course, we did not.

Mr. Holman Gregory.

662. I should like to take it a little further, if I might. Supposing it had been pointed out that the Act of Parliament might be altered at any moment, do you think that would have put an end to the scale?—I think it probably would, because then the teachers would have said: "We do not know where we are. We must know where we are, first, or we cannot go on."

663. Do you think they would have said: "We must have a permanent Act of Parliament before we can come to an agreement with our Education Authorities"?—No, but they would have said: "We want to know if the privileges we have already are going to be taken away."

Chairman.

664. They would have said not, "We must have a permanent Act of Parliament," but "We must have a definite understanding as to the Government's proposition"?—Absolutely.

Sir William Joynson-Hicks.

665. You heard Mr. Fisher's evidence this morning, that any such suggestion as that would have broken up the Burnham negotiations?—I think he was right; I think that would have been so.

Chairman.

666. If the Government had failed to say what the teachers suggest the Government would have been perfectly right to say, namely, that except for the possibility of Parliament changing its mind, nobody at that time thought it possible, and certainly not Ministers, to change the whole basis of the pensions, do you think that negotiations might have broken down?—I should think so. Of course, we, as the authorities, would have gone on, but I am sure the teachers would not.

667. They would have regarded that as such a change in the express conditions under which they were negotiating as to jeopardise the whole position from their point of view?—They would have looked upon it as knocking the platform upon which they were negotiating from under their feet. They would not have known where they were.

668. I think I have already covered everything on what I am now going to ask you, therefore I must apologise for putting it to you; but in fairness to Sir James Yoxall, to whom I intimated on Friday that I would put any points that he desired to put, I will just run through these questions, and I think the answers to most of them are practically monosyllabic. During the negotiations leading up to settlement, had the authorities panel in mind the fact that a non-contributory Superannuation Act had recently been passed?—Every one of the members of the panel was either a Director or a Chairman of an Education Committee.

669. Therefore the answer is in the affirmative?—Yes, most certainly.

670. Did that fact have any effect upon the negotiations? You have told us that?—Yes, I think it did.

2 9 May, 1922.]

MR. F. J. LESLIE.

[Continued.]

671. Was there any difficulty in securing the consent of the general body of the teachers to the settlement?—Yes, it took us months of negotiation.

672. In your view, did the settlement imply that the standard scales were to be paid without deduction either with respect to superannuation or otherwise? You have answered that "Yes"?—Yes.

673. Was it intended by all parties that the scales should be paid in full?—Yes, certainly.

674. Would there have been any possibility of securing the acceptance of the scales by the teachers if a 5 per cent.

reduction from the salaries had been suggested?—I think not.

675. Was the agreement made with the teachers whereby they abstained from pressure on the authorities till the 1st April, 1925, based upon an implicit acceptance of the standard scales by the authorities and the payment of such scales in full as approved by the Board of Education and the Treasury?—Of course, I cannot say what circumstances influenced the teachers in coming to a decision, but I should think that was so. I should imagine so.

Chairman.] Thank you very much indeed.

(The Witness withdrew.)

Sir CYRIL COBB, K.B.E., M.V.O. (a Member of the House), examined.

Chairman.

676. I have to apologise, on behalf of the Committee, for keeping you so long. I hope we shall make up for it by not keeping you very long now.—Thank you, Sir.

677. Will you tell us what was your connection with the Burnham Committees?—I was a representative of a London authority.

678. On all of them?—On the Elementary only.

679. I will, in the first instance, if I may, put to you specific questions with regard to the position in London. Was there not a contributory superannuation scheme, including teachers, in operation in London before the passing of the Act in 1918?—Yes.

680. When the Government passed that Act did not the London teachers have the option of coming under it?—Yes, they all had the option of coming under it. Most of them did come under it, and we paid back their contributions under the old scheme to the sum of, I think it was, £1,150,000.

681. To those who came under the new one?—To those who came under the new one. We paid their contributions back, and we paid those back before the summer holidays. A great point was made about that.

682. Was the advantage that the London teachers gained by having the option of coming under the new Act borne in mind by the London County Council representatives during the Burnham Committee's negotiations?—Yes. I am quite clear about that. We had that

very much before us, and one of the arguments which were used in the Local Education Authorities' Panel, when we were discussing a figure as between the £420 and the £450 which Mr. Leslie has been talking about just now, was just that very point: that the teachers were going to benefit enormously by the non-contributory scheme of pensions, and therefore we had the greater force in our argument for keeping the maximum of the assistant teacher down to £420 if we possibly could, rather than allowing it to jump up to £450, which was the demand of the teachers. Because we also felt, as the London scale was the first to be fixed, it was extraordinarily important that the London maximum should not go higher than was really necessary for the circumstances of the time, because every other scale would follow the London scale; Scale 3 and Scale 2 and Scale 1 had to be constructed, and would necessarily be constructed, on the basis of Scale 4, and the higher the maximum in all these scales, the greater would be the expense, of course, of the pension scheme, and the greater would be the advantage gained by the teacher.

683. Do you say that this particular figure that you have referred to was, as a fact, a rather cardinal point, not only in the scale in which it comes, but in other scales which are related to it?—By implication, if I may use that word.

684. And you suggest that, although you cannot, of course, be expected to say for certain, if the position with regard to pensions had not been as favourable as it in fact was, that figure might probably have been fixed higher?—We should have

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SIR CYRIL COBB, K.B.E., M.V.O., M.P.

[Continued.]

had very much greater difficulty in getting our £420, or, as a matter of fact, it was £425 in the end, accepted by the teachers. If it had not been a recognised thing that they were going to have a non-contributory pension—in fact, they had got it; the Act was passed—we should probably have been obliged to go a little higher. And on that I should like to say this, that I believe if we had been driven higher, if the teachers had insisted on our going any higher than our £425, negotiations would have broken down; they were never in a more critical position than they were on that day, 16th April, the tenth meeting of the Burnham Committee.

685. The negotiations between the two panels would have broken down?—And therefore the Burnham Committee would have broken down.

686. I was only wanting to distinguish. Now I am clear what you mean. That is the negotiations in the Committee between the two panels?—Yes.

687. And all the subsequent negotiations which took place between Lord Burnham as representing the Committee, and the Government, regarding their contribution?—I am only talking about the negotiations between the two panels. Of course, I was not in the teachers' panel; I do not know what happened there. I was in the Local Education Authorities' panel, and I know what happened there, and I have a very fair recollection of what happened when we got back into the full Burnham Committee.

688. So that you say really two things, one of which tells one way and one, I think, probably the other; of course, I can quite imagine both of them perfectly true: first that the teachers, on this point, at any rate, would have succeeded in arguing successfully that the figure should be higher, if they had thought at that time that the pensions would be made contributory; and secondly, that if they had done so, it would have gone a long way at any rate to risk the breakdown of the negotiations?—Yes; I should rather like to put it the other way: that if the Superannuation Act of 1918 had not actually been in existence, and if the old scheme of superannuation on a contributory basis had still prevailed, the teachers would most certainly have not been contented with £425.

689. Whether they would have succeeded in getting more, or whether the

negotiations would have broken down, do you feel sufficiently clear as to that to hazard an opinion?—I feel so clear that so critical was the position that day, and so determined was the local education authorities' panel that it was not going beyond £425, and so determined also was the teachers' panel that it would try to insist on £450, that anything might have turned the scale in the direction of bringing the negotiations to an end. That is to say, if the teachers had insisted on having £430 even, we would not have gone another £5; and we had that argument about the pensions, of course, in our minds in our own panel, at any rate, though I do not say that it was raised in the Joint Committee; I cannot remember that. To be perfectly frank, I cannot remember whether it was mentioned or not.

690. Then without going into whether that breakdown would ultimately have told in favour of the teachers or otherwise, at any rate you say that the existence of the Superannuation Act was a determining factor in enabling you to pull through your deliberations?—Yes.

691. You have heard the evidence given this morning and that which has been given this afternoon. Have you anything which you think you can usefully say on the general position as to whether you feel, after all your connection with the question, that anything which passed or was done or implied by the Government constituted an implied pledge with regard, at any rate, to the time during which the scales should be in force?—I confess I have a difficulty in my mind in defining what an implied pledge is. My own view of the matter is that we were asked, both the local authorities and the teachers, to construct these scales, and we were asked therefore to construct the scales, of course, on the existing conditions of service of the teachers. One of the conditions of service of the teachers at the time was a non-contributory pension scheme, and to that extent we considered the benefits which the teachers were getting from their non-contributory pension scheme as one of the conditions of service. But beyond that I should not like to go as to an implied pledge, whatever that may mean.

Sir William Joynson-Hicks.] That is for us.

Chairman.] I wish you had been willing to do some of our work for us, but I think you are very wise in not doing so.

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SIR CYRIL COBB, K.B.E., M.V.O., M.P.

[Continued.]

Sir Ellis Hume-Williams.

632. They were engaged in settling the maximum salary to which they would attain?—The whole scale.

693. I am taking your point?—Yes.

694. And it was done without anything being said at all, I understand, about the contributory or non-contributory scheme?—In joint panel, as far as I remember.

695. Nothing was said about it at all?—So far as I remember. I would not be certain about that.

696. Does it come to this, that the suggestion is that, a sum having been fixed without any reference at all to a contribution being demanded by the State for any purposes whatever, the State should never be allowed to do it?—I do not say that at all, any more than I should say it with regard to the Local Education Authorities. Take the case as I put it just now. Supposing there had been no Act of Parliament at all on the subject of pensions to teachers; supposing we had gone ahead with our Burnham schemes; supposing, as would have been the case, the existing scheme of the Council had continued in operation; supposing the local authority had agreed with the teachers under the Burnham scale that they should have a certain scale of salaries rising, let us say, from £210 to £425, and that the existing superannuation scheme of the London Authority went on; and then suppose that the local education authority, finding themselves that this was becoming a very heavy burden, had said: "We will double the contributions which the teachers have to pay on this local scheme," I suggest we should have been in a very bad position with our teachers.

Chairman.

697. From the point of view of public faith?—Yes.

Sir Ellis Hume-Williams.

698. That would have been a very obvious hardship, would it not?—Yes, but of course we would have a perfect right to do that. The local education authority has a perfect right to change its superannuation scheme.

699. But in this case the teachers were on a non-contributory basis at the time?—No; they had given it up. The Act had been passed, and our teachers, by

June, 1919, had not only given it up, but they had got their money (£1,150,000) back.

700. But at the time that this scale was fixed, were they on a contributory or a non-contributory basis?—This was April, 1919. The Act was in force from the 1st April, 1919, but they had not got the money by then. By June they had got the money.

701. So that what it really comes to is this, that they must be supposed to have thought that they would continue upon the same terms?—Yes.

702. But nothing was said to that effect?—Not, as I say, in joint panel; but it was used as an argument.

703. I am only dealing with what you know. Therefore the case really is, that because they did not expect it to happen, therefore it cannot happen without a breach of faith. Is that it?

Chairman.

704. It is one-sided, at any rate?—Yes.

Sir William Joynton-Hicks.

705. This pink document† of yours, I suppose, was public property?—Yes.

706. The Board of Education would have it, I suppose?—I suppose they would have it if they wanted it. It is for sale, I think.

707. At all events, you never got any letter from the Board of Education saying you had gone too far in your statement about non-contributory pensions?—No.

708. Nothing of the kind?—No.

709. Some discussion took place this morning about the rise in pensions owing to the rise in salaries. I do not know whether you have referred to Mr. Fisher's speeches. Do you know that on the 15th October, 1918, on the finance resolution of the Bill, he distinctly said: "Any further increase in salaries will ultimately bring with it a corresponding increase in pension"?—Yes.

710. So that it was in the minds of the Government when the Bill was brought in, not merely that it would cost £2,000,000 a year, but that when the salaries were increased, the pensions under the Bill would be increased?—It was to cost 2½ millions. It was to cost two millions plus what was already being given under the existing deferred annuities fund under the 1893 Act; so the

† "The Teaching Profession [London County Council]."

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SIR CYRIL COBB, K.B.E., M.V.O., M.P.

[Continued.]

present cost, according to the President of the Board of Education, would have been £2,480,000, the total amount.

711. And then Mr. Fisher said: "I have endeavoured to take account of the rise which has been going on through this year but not beyond it. Any further increase of salaries will ultimately bring with it a corresponding increase in pensions?"—That was on the Estimate for ten years ahead.

Mr. Holman Gregory.

712. Assuming that your old contributory scheme was in existence at the time that you were arranging the Burnham Scale and assuming that within a year after that it was ascertained that the contributions were not sufficient to make it self-supporting, and that the scheme would be in bankruptcy unless some alteration was made, would you say there was an undertaking not to make the alteration?—That is not exactly how I put it.

713. No, I am putting it to you. I am asking you now to assume something that did not exist. I know, but assuming that at the time that your old scheme was in existence and there was not a non-contributory scheme at the time you made the Burnham Scales, and assuming that a year after that it was discovered that the contributions were not sufficient to make it self-supporting, and if they continued those contributions they would be bankrupt in a year or so; do you say there was an implied undertaking between the authority and the teachers that they would not raise the contribution?—Certainly not. I put it the other way. I say that if we had as a matter of fact therefore on that financial position passed a resolution on the Council that we should double the contributions of the teachers in order to make it pay, we should have very great trouble with the teachers. That is all I say.

714. You would have had trouble, but you would not say there was a pledge?—I did not say there was a pledge or that it was breaking any pledge.

715. You would not have said there was a pledge?—No.

716. In other words, it comes to this: that assuming there were sufficient circumstances to justify an alteration of the pension, whether it was contributory or non-contributory, it might be justified. That is really what it comes to, does it not?—On certain grounds, yes.

717. You have heard what has been advanced in this Committee room on both sides, or rather you have heard one side to-day, and I dare say you have taken the trouble to read what has been advanced here on previous days?—I did not hear anything till this morning.

718. I can conceive that the reasons that have been put before us are very cogent reasons for not passing the Bill in the House at the present time, but do they amount to a pledge, do you say?—Does what amount to a pledge?

719. All the reasons that have been advanced; the facts that are before us and the facts that are before you?—No, I do not think the Government is under any obligation not to change the scheme. I do not see how it can be. That is my view. But there is a very much better way of doing it and getting this money than this way.

720. I am sure many people would agree with you, and I think most would agree that everything that has been advanced offers very cogent reasons?—For not doing it this way.

721. But that is not the issue before the Committee. That is a matter for Parliament to decide?—Yes.

Chairman.

722. When the question was put to you before, you remember I said that I thought you were rather wise in not indicating to us what your view would have been if you had been a member of this body, but I rather take the answer you have just given to Mr. Holman Gregory to give an opinion. I just want to be quite clear whether that is so or not. You may have meant, in answering Mr. Gregory, that you do not think that Parliament was pledged not to deal with that matter and secure a contribution of some kind towards their pension scheme, which was a general statement with which I do not think I should quarrel at all, or did you specifically mean that you did not feel that there was any implied pledge not to do the particular thing on account of which this Committee was set up, namely, to secure this 5 per cent. payment from salaries towards pensions?—On that I have to go back to what I said at first.

Mr. Holman Gregory.] With respect, I do not agree with the Chairman, if I may interrupt. The reference to us is that the Act should not be altered whilst the scales were in force.

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[Continued.]

Witness.] That makes it all the easier for me to go back to what I said at first. I think that the existence of a non-contributory scheme was one of the conditions of service upon which we were asked by the Government to formulate our scales of salaries, and if any change is made in those conditions, I think the only way to get the thing straight is for the same people who came together in order to make those arrangements with regard to the scales as based on those conditions to come together again in order to revise them. I think it is inadvisable, though it may be perfectly right and justifiable in the view of the Government to step in and do it itself; but there again I am getting on things which are not within your Terms of Reference. There is another way of doing it. I think this is the wrong way, for the Government to step in and try to upset an arrangement which was made between two people, which was in existence, and which was definitely laid down on certain conditions

of the service. I think it wrong for the Government to come in and alter those conditions.

Chairman.

723. But you would not regard it as being similarly unwise if it were done in another way that you have indicated?—No.

724. I think that makes your position perfectly logical. There are no other matters in your mind which you think you ought to place before us?—No, except just to say that so far as we ourselves are concerned, as a local education authority, in revising scales of salaries, in the many years that I have been connected with the local authority in London, we have always taken the question of pension into consideration when we have been revising scales of salaries. That is only an illustration of the fact that it always has been one of the things we necessarily take into consideration when we are overhauling our salary scales.

Chairman.] Thank you very much.

LIST OF APPENDICES.

APPENDIX 1.

Letter from Teachers' Representatives to President of Board of Education, 6th February, 1922.

APPENDIX 2.

Pamphlet issued by Board of Education.

APPENDIX 3.

Circular letter issued by Ministry of Labour.

APPENDIX 4.

Letter issued by Incorporated Association of Head Masters.

APPENDIX 5.

Correspondence regarding effect of School Teachers' (Superannuation) Bill, 1922, upon Scottish School Teachers.

APPENDIX 1.

COPY OF A LETTER FROM THE TEACHERS' REPRESENTATIVES ON THE
BURNHAM COMMITTEES TO THE PRESIDENT OF THE BOARD OF EDUCATION.

(Question 146.)

6th February, 1922.

DEAR MR. FISHER.

WE are writing to say that we brought before the Central Committees of the various Associations of Teachers whom we represent on the three Burnham Committees the information which the Prime Minister was so good as to afford us at Downing Street on Thursday last. The suggestions and proposals then outlined were considered by a meeting of the Executive of the National Union of Teachers and by specially-summoned meetings of the Executives of the Head Masters' Association, the Head Mistresses' Association, the Assistant Masters' Association, the Assistant Mistresses' Association, the Association of Teachers in Technical Institutions, the Association of Principals in Technical Institutions, the National Society of Art Masters, and the Federation of Continuative Teachers. By these gatherings the subject was fully, carefully, and responsibly considered. The various Executives and Committees, however, did not feel themselves able to take any decision on behalf of the several bodies and the very considerable number of teachers whom they represent, which would authorise us to accept the suggestions made to us at Downing Street, or to put forward alternative proposals in any further interview to which we might be summoned, though we hold ourselves ready, of course, to wait upon the Prime Minister further if he should wish it.

Although we do not suppose it to be necessary, we wish to assure you that the paragraphs which have appeared in the Press concerning the interview which the Prime Minister was so good as to give us, were in no case drawn from any information given to journalists by ourselves. We strictly observed, of course, the undertaking on the point.

We are, dear Mr. Fisher,
Yours most faithfully,

(Signed) P. ABBOTT.
R. F. CHOLMELEY.
J. H. YOXALL.

The Rt. Hon. H. A. L. Fisher, M.P.,
Board of Education,
S.W.1.

APPENDIX 2.

COPY OF A PAMPHLET ISSUED BY THE BOARD OF EDUCATION.

(Questions 207, 496.)

TEACHING AS A PROFESSION FOR DISABLED MEN.

Men disabled by military service may be glad to consider the possibility of training for the teaching profession, especially with a view to work in public elementary schools.

Salaries and Prospects.

It is difficult to make an exact statement about these, as they vary somewhat in different parts of the country. Separate salary scales are fixed by each Local Education Authority. These are rising considerably,

and the prospects are in several ways improving. But at present a trained teacher may expect to start at from £110 to £130 a year, rising, if he remains an Assistant, to £250 or, possibly, £300 after 15 to 20 years. If he becomes a Head Teacher, he may rise to a salary of £300 to £400, or even more, according to the size of the school.

The School Teachers' (Superannuation) Act, 1918, provides for teachers a scale of allowances and gratuities on lines similar to those now in force in the Civil Service. No contributions will be required from teachers. In addition to annual superannuation allowances, other allowances, in the shape of lump sums paid down on retirement, are provided. The former are calculated at the rate of 1/80th of the teacher's average salary for each year of recognised service, and may amount to half the average salary, and the latter are calculated at the rate of 1/30th of his average salary for each such year, and may amount to one and a half times the average salary. The amount of allowance or gratuity will depend in each case on the length of recognised service and the average salary of the teacher. For instance, a teacher with an average salary of £400 would be entitled after 40 years' service to a pension of £200, and would also receive a lump sum of £533. The "average salary" means the average salary received by the teacher during his last five years of recognised service.

Training.

A course of two years at a Training College is generally advisable, except in the case of University Graduates, or men who have passed the Intermediate Examination for the University Degree, or some other Examination of corresponding standard. For these a one year's course will generally be sufficient.

Applicants will not be required to pass an examination before being admitted to a Course of Training, but they must have had a good general education, and special consideration will be given to their general experience in military and civil life. Men over 25 years of age will be eligible only if they possess some special qualifications.

The Board will pay grants to Training Colleges at the usual rates towards the expense of training and maintenance, and if further assistance is needed by a man who has served with the Forces, they will be prepared to make a special grant of such an amount as will bring the total grant for maintenance up to a sum of £104 for each year of training.

Further Information.

Further information will be found in Circular 1101, issued by the Board of Education. Copies of this Circular may be obtained from Local War Pensions Committees, or from The Secretary, Board of Education, South Kensington, London, S.W.7.

APPENDIX 3.

CORRESPONDENCE RELATING TO, AND COPY OF, A CIRCULAR LETTER ISSUED BY THE MINISTRY OF LABOUR.

(Question 207.)

Note.—The document handed in by Mr. C. W. Crook (*see* Question 277) was a copy of a letter from the Divisional Director of Training, Yorkshire, founded upon the circular letter printed below.

(Copy)

Ministry of Labour,
 Montagu House,
 Whitehall, S.W.1,
 30th May, 1922.

DEAR SIR,

WITH reference to your letter of the 26th May, Dr. Macnamara desires me to enclose four copies of a Memorandum which was issued by the Headquarters of the Ministry of Labour in February, 1920, to their Local Officers, explaining the Schemes which were then being inaugurated for training a limited number of ex-service men as manual teachers in elementary schools.

This document states that men who took the courses which the Ministry of Labour were then proposing, and who, at the end of them, passed a qualifying examination, would be recognised by the Board of Education as trained certificated school teachers, eligible for employment and pension as such. Reference to the Burnham scale of salaries was made in the enclosed Memorandum, but no further reference was made to pension. The letter from the Divisional Director of Training, Yorkshire, to a particular trainee, which was included with your letter to me, is based upon this Memorandum.

I should add, for your information, that the number of trainees now undergoing courses of the kind referred to is 980, whilst a further 200 have completed training and are now in employment.

Yours faithfully,
 (Signed) F. B. SUTHERLAND,
 Private Secretary.

The Secretary,
 Select Committee on Teachers in
 Grant-Aided Schools (Superannuation).

(Enclosure A.)

T.D.S. 381/12.

16th February, 1920.

Divisional Director of Industrial Training.

TRAINING OF EX-SERVICE MEN AS ELEMENTARY SCHOOL TEACHERS, SPECIALLY QUALIFIED FOR MANUAL TRAINING AT SARISBURY COURT (HANTS).

1. A scheme has been sanctioned for the training of about 100 ex-service men as elementary school teachers (specially qualified in manual training) at Sarisbury Court Government Instructional Factory, Hants. Fit demobilised men are eligible for this training as well as disabled men, provided they satisfy the usual criterion.

2. The course will extend over two years, during which full maintenance allowances will be payable. The instruction will be given under the supervision of the Board of Education, and will consist of:—

- (a) Elementary mathematics, mechanics, drawing, physics, chemistry and English.
- (b) Practical work in wood, metal and other material.
- (c) Theory and practice of teaching.

At the end of the course each man will be required to pass an examination, conducted in conjunction with the Board of Education, in order to qualify for the elementary school teacher's certificate. Those who pass this examination will be recognised by the Board of Education as trained certificated schoolmasters, eligible for employment and pension as such. It is thought that, in view of more recent education developments, the bias of the instruction towards manual work will give specially good

prospects of advancement in the teaching profession to men who successfully complete the course.

3. In order to reduce the number of failures to pass the final certificate examination to a minimum, it is essential that candidates for this course should be selected with the utmost care. The final selection will be made in each case by an Inspector of the Board of Education. In order that the Board's Officer may make his selection in each centre from a body of candidates *prima facie* suitably qualified, Divisional Directors should examine their waiting lists at once, interviewing any applicants where desirable. Lists of *prima facie* suitable candidates will in due course be submitted to the Board of Education Inspector concerned, who by means of special visits as arranged with the Divisional Director will finally decide as to the acceptance or rejection of each man for the course. Further detailed instructions as to co-operation with the Board of Education Inspector will be issued later.

4. It is desirable that the field of selection should be as wide as possible in order that sufficient well qualified candidates should be secured. A copy of this Memorandum is accordingly being circulated to the District Directors of the Appointments Department in order that they may refer to the appropriate Divisional Director particulars of any men considered for the course. Divisional Directors should give equal consideration to such candidates as to those forthcoming from their own lists.

5. For the guidance of Divisional Directors, the following brief description of a suitable candidate may be of value. The man should have a ground work of general knowledge and should speak grammatical English, although provincialisms need not disqualify; he should have a working knowledge of arithmetical processes and should be able to write on suitable subjects clearly and correctly, although not necessarily in a "literary style." He should be generally intelligent, mentally alert, and quick and ready to understand what is said to him; he should show some knowledge of, and interest in, general topics apart from his own particular vocation. As a rule, he should have a hobby of a not insignificant kind which involves practical manual work of an intelligent nature. His personality should be such as to suggest that with training he would make a successful teacher.

6. It is not thought possible that the course can begin earlier than the end of April. Suitable candidates should therefore be prepared to wait till this date. Such men must not be placed in Preliminary Instruction classes.

(Enclosure B.)

THE TEACHING PROFESSION AND THE EX-SERVICE MAN.

At the present moment the teaching profession offers to ex-service men who may be fitted temperamentally or educationally for teaching an opportunity of entering a profession which can be regarded in all respects as a settled career for life. The work is full of interest for the right man and in view of the considerable expansion which is now taking place in the national system of education, will afford to men who are prepared to grasp the present opportunities an occupation which for variety will compare favourably with most professions. It is perhaps unnecessary to dwell upon the short hours worked by the schoolmaster or the lengthy vacations which he enjoys both in the summer and at other recognised holiday times. In both respects the enviable position of the schoolmaster is well-known. The minimum salaries of trained certificated assistant masters as fixed by the Burnham scale, commence at £160 per annum and rise by annual increments of £10 to £300, and on attaining the grade of headmaster the salary runs from £330 to £450. Considerably higher scales prevail in the Metropolitan and urban districts. Superannuation is provided at good rates at the age of 65.

With a view to meeting the demand for qualified elementary school teachers the Ministry of Labour in conjunction with the Board of Education have established a residential training college at Sarisbury Court, Hampshire, equipped with a special staff for the purpose of training suitable ex-service men, who during the whole period of their training receive the usual maintenance allowance. The men to be admitted to the College have first to be passed by small interviewing committees in order to ensure that only men with adequate educational qualifications and such as are likely to make good as schoolmasters are accepted. The course is fully recognised by the Board of Education, and therefore each man who successfully completes the course (and the careful manner in which the men are being selected should preclude the possibility of failure for men who work seriously) will be eligible for employment as a trained certificated schoolmaster. A special feature of this course is the instruction which is being given in manual work. This will provide the men with qualifications not usually possessed, by the average trained certificated teacher and will be of great value to them on entering the profession in view of the rapid developments which are now taking place in the teaching of handwork in elementary schools.

The Ministry of Labour and the Board of Education are considering the establishment of other training colleges on the same lines in other parts of the country and these will provide further opportunities for suitable ex-service men to qualify for admission to the teaching profession. Disabled men who owing to their disabilities cannot return to their pre-war occupation or young fit men who owing to the early age at which they joined the Navy or Army did not enter upon a skilled trade, are equally eligible for this training, and any ex-service man who is eligible under either heading, provided he has the necessary general education and is likely to find teaching a congenial occupation, is recommended to apply for admission to one of these courses to the Divisional Director for the area in which he resides, whose address can always be secured from the Local Employment Exchange.

APPENDIX 4.

COPY OF A LETTER ISSUED BY THE INCORPORATED ASSOCIATION OF HEAD MASTERS.

(Question 213.)

29 Gordon Square, London, W.C.1.

13th May, 1922.

DEAR SIR,

WE beg to draw your attention to the enclosed resolutions passed by the Council of this Association, representing the head masters of over 700 secondary schools, which are, we think, relevant to the proposals embodied in the Bill to provide for the payment of contributions by teachers towards the cost of the benefits under the School Teachers' (Superannuation) Act, 1918, presented by Mr. Fisher and ordered by the House of Commons to be printed on the 9th May, 1922.

We desire to observe that the teachers concerned have never raised the slightest objection to bearing their share of the financial burdens of the country. They have not asked nor desired to be relieved from taxation at the expense of other members of the community. If the Government had decided that the advantages possessed by teachers and others, such as regular and increasing incomes, comparative security of tenure, and the prospect of superannuation allowances, entitled the State to tax all such persons at a higher rate than the rest, we could have raised no objection on the ground of unfair treatment. The State has a right to

tax all advantages which can be reduced to terms of wealth, so long as it taxes all alike.

But this Bill is a Bill for taxing teachers only.

If the Government had said to the teachers:—Because by our Act, the Superannuation Act of 1918, and at our instigation, through the settlements agreed to by the Burnham Committees, the teaching profession has just been raised to that position among the professions and occupations which in our judgment it ought to occupy, we will make no demands upon you which would have the effect of depriving you of that position; we ask of you at this crisis a voluntary sacrifice neither greater nor less than we intend to demand of all who occupy a similar position in the public service—if the Government had said that, we do not think that the teachers would have obstinately refused.

But they did not; instead, they bring in a Bill to tax teachers only.

This contribution will be a tax, because the avowed reason for demanding it is the Government's need of money; it will be an unfair tax because it will alter the comparative financial position, for which the Government were responsible, of one section of the community. We dislike extremely the necessity for traversing any statements made by Mr. Fisher, whose great service to education in general, and to the teaching profession in particular, we shall never cease to remember with gratitude; but in his letter to Mr. Nicholson, dated 30th March last, there are statements that we cannot allow to go unchallenged. We agree in the main with the comments upon that letter made by the Assistant Masters' Association on the 26th of April; but we also desire to add these words in reinforcement of the argument.

It is argued on the teachers' side that the position apparently assured to them by the Superannuation Act of 1918, and by the findings of the Burnham Committees, must be taken as one position, that any alteration in one part of that position by the Act, or at the instance of the Government, is in effect an alteration of the terms to which the teachers agreed. It is possible to argue on the other side that, Superannuation Act or no Superannuation Act, the Government would not have supported the findings of the Burnham Committees of those findings had been more favourable to the teachers; it is not possible to argue either that the Burnham Committees negotiated month after month without ever thinking of the Superannuation Act, or that the chances of agreement would not have been materially altered if the Superannuation Act had not been there to be thought about. The "great change," to quote Mr. Fisher's letter, "which has taken place since the last Superannuation Act was passed in the position of the teachers" is precisely the great change which the Burnham Committees set out to produce, at the instigation of the authors of that Act. To wait until the "great change" has been effected, and then to come down and take away the most attractive feature of the Act, is to put every teacher concerned in a less favourable position than that which the Burnham Committees agreed to. That is the central fact. The question whether a different position would or would not have been agreed to if this proposal had been made while the Committees were sitting, is a speculative question which anyone may answer who can; the proposal was not made then, and to make it now is simply to tax the teachers.

But if the teachers are to be taxed, why are they alone to be taxed in this manner? Mr. Fisher emphasises in his letter certain distinctions between the position of the teachers and of the Civil Service as justifying a refusal to make Civil Service superannuation contributory. We are not concerned to deny the difficulty of applying the contributory principle to the Civil Service; it may be so difficult that no Government, however frugal, would venture to attempt it. What we are concerned to say is that, if teachers are to contribute to pensions while civil servants do not, the relation between the position of the teachers and that of civil ser-

vants ceases to be what the Burnham Committees meant it to be. That relation is important. There were two main reasons for the setting up of the Burnham Committees: the desire to do justice to the teachers, and the desire to encourage the right kind of person to come into the teaching profession; these two are not sharply distinguishable, since the prospect of fair treatment counts in the choice of a profession, but, at any rate, the fact which was particularly responsible for Mr. Fisher's decision to get the Burnham Committees set up was the fact that in comparison with other openings for well educated men and women, and in particular with the Civil Service, the teaching profession was infinitely less attractive than the nation could afford to have it.

As head masters of secondary schools we claim to know something about that; and although as a body we got less out of the Burnham Committee than any other section of the profession—and are daily finding the salaries assigned to us by Local Education Authorities, in accordance with the Burnham Report, reduced by the direct action of the Board of Education—we continue to be profoundly grateful for the agreement which enabled us to tell our best pupils that if they became teachers they would find not only great opportunities for useful work but a position and prospects which would compare favourably even with the Civil Service. With the Government reducing salaries by five per cent. for the relief of the taxpayer, on the basis of Mr. Fisher's Bill, while Local Education Authorities up and down the country are requiring or cajoling the teachers in their employment to give up another 10 or 15 or 20 per cent. for the relief of the ratepayer, our pupils will get a very different sort of advice if we are to tell them honestly what it means to enter the teaching profession.

We say nothing here as to the intrinsic merits of a contributory system of pensions; we are debarred from even considering them by the circumstances in which the Government has placed us: the Superannuation Act of 1918 has defects, especially in its application to secondary teachers, which could undoubtedly be remedied more easily if the contributory system were introduced; and when the proper time comes we shall be ready to offer suggestions. At this moment we are bound to confine ourselves to the particular question whether it is equitable for a Government to impose a tax upon one section only of the community, and to beg you to use your influence to prevent it.

We are,

Faithfully yours,

(Signed) R. F. CHOLMELEY,

W. JENKYN THOMAS,

Joint Honorary Secretaries.

(Enclosure.)

RESOLUTIONS.

At the Meeting of the Council of the Incorporated Association of Head Master, held on April 22nd, the following Resolutions were unanimously passed:—

Pensions.

That this Association desires to protest strongly against the proposal to exact from teachers a contribution towards a Pension Scheme.

This Association contends:

- (i) That the conditions set up by the Superannuation Act of 1911 were taken into account by the Burnham Committees in establishing Salary Scales, so that the exaction of a contribution would effect an alteration of the position established by the Burnham Committees and a virtual abandonment of the agreements reached.
- (ii) That this proposal constitutes an unfair differentiation against teachers.

- (iii) That this proposal is particularly inequitable in the case of Secondary Teachers, owing to the great variation in the amount of their service which is under present conditions pensionable.
- (iv) That, inasmuch as the expenditure for 1922-23 under the Superannuation Act of 1913 is estimated at £1,860,000, and the amount to be obtained by the proposed contribution at £2,300,000, this contribution would be in any case excessive, and would constitute merely a disguised form of special taxation.

APPENDIX 5.

CORRESPONDENCE REGARDING THE EFFECT OF THE SCHOOL TEACHERS' (SUPERANNUATION) BILL, 1922, UPON SCOTTISH SCHOOL TEACHERS.

(Questions 265, 411.)

I.—THE SECRETARY FOR SCOTLAND.

(Copy)

Scottish Education Department,
Queen Street,

Edinburgh.

27th May 1922.

SIR,

I HAVE laid before Mr. Munro the letter which you addressed yesterday to the Second Secretary of the Department in Whitehall.

After reading the report of Mr. D. M. Cowan's evidence, Mr. Munro is of opinion that it is hardly necessary for him, or for any representative of the Department, to occupy the time of the Committee by appearing formally before them. He thinks, however, that your Committee may possibly desire to see the actual "statement by Sir Arthur Rose" to which Mr. Cowan's correspondent referred. I accordingly enclose a copy. I may say that "the record of the Minimum National Scales meeting" is not in any sense an official document. It represents the rough record made at the time for the personal use of Sir John Struthers. Though naturally very voluminous, but a careful scrutiny has failed to reveal any other allusion to the subject which the Committee are considering.

Mr. Cowan's statement of the case seems to Mr. Munro entirely true from the point of view from which it is made. But for the benefit of those who are not thoroughly familiar with the course of events in Scotland, it is important to note that the statement at the end of Question 267—to the effect that the Scale promulgated by the Department "is the final scale of salaries"—is intended to be read in close connection with the earlier part of Mr. Cowan's very lucid explanation. The scale is only in the sense that, until the Department sees fit to alter it, the Authority can legally pay less. It is not final in the sense that the Authorities or teachers have agreed to abide by it (as English Authorities and English teachers agreed to abide by the Burnham scales) for a specified term of years. In point of fact, practically all the Authorities almost immediately introduced more liberal—in some cases much more liberal—scales of their own. That the same view as to the absence of finality was taken by the teachers is clear from the fact that in the Autumn of 1920, as appears from the public Press, the Education Institute laid before the Association of Educational Authorities a