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"Straight Pensions."

The Civilian of May 30th contained a statement issued by the C. S. Retirement Association of the United States in favor of "contributory superannuation." Hereinunder is published a letter received from Mr. George T. Morgan of the United States Mint, Philadelphia, defending the doctrine of "straight pensions" or "non-contributory superannuations." These opposing views are being earnestly debated by the members of the service in the States at the present time. In The Civilian of June 27th will appear an article dealing with these phases of the retirement problem to be contributed by an acturial expert. It will be shown that the foregoing terms applied to superannuation are not absolute but interchangeable and the exposition promises a clear elucidation of a complicated subject.

To the Editors of *The Civilian*:

I notice in your issue of May 2nd that you say with reference to the bill introduced into the Ontario Legislature that you commend the contributory system.

I do not believe that a contributory system of pension is best either for the Government or the employees. Let me ask you to give your reasons for your preference and if you will bear with me I will present a few facts that have had weight with me in forming my opinion in favor of a straight pension and against a contributory system.

Most of the great railroads in the United States, more than a score of them, employing all told nearly one million people have pension systems and all of them are non-contributory.

The officers of the Pennsylvania railroad tell me that they studied this matter for ten years before establishing their system and that after careful deliberation they decided that a non-contributory plan was the best.

The P. R. R. pension system was established in 1900 and the Controller tells me today that they have no intention of making a change. On

the P. R. R. plan nearly all the other railroads have founded similar systems.

Many large corporations and large manufacturing plants in the United States have pension systems. These corporations employ more than a million workers. These pension systems are all non-contributory.

Here is the answer that I received from the United States Steel Corporation, in answer to my question:

"Why do you set aside twelve million dollars to pay your pensions? In what way do you expect to be repaid for the loss of interest on this large sum of money?"

"We expect to be repaid by the increased loyalty of our employes and the longer period of service."

Many other large employers of labour have answered my questions in the same way. They all studied the matter carefully and then decided on a non-contributory plan.

The men who are running these railroads and large corporations are the brightest brainiest business men we have in the country. Is it not a fair assumption that they had some good reasons for their acts in establishing straight pension systems.