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would break men, that everyone would break down in the service. That is my personal opinion. I think a man should retire at such an age that, generally speaking, he is able to take up new pursuits, and, in a way, to re-arrange his life again. If he stays too late, he is liable to fall right down when giving up his life work. He cannot take up new interests later.

Q. The Civil Service are paid salaries which presumably are reasonable. We appreciate the force of the argument you have given us in favour of superannuation generally. But why should civil servants, who are in the employ of the State at reasonable salaries, be further provided for by means of superannuation?—A. It becomes a practical problem. We have to determine which way, in practice, the business of the country can best be run.

Q. I understand that. But why should civil servants not be able, out of the salaries they receive, to provide for their old age?—A. You may do it as you like. It is very largely immaterial which way you do it. The social, economic arrangements that we undertake to put into force have a way of very shortly adjusting themselves. They work themselves out. For example, if the Government were paying high salaries, we will suppose and in addition were offering liberal superannuation without any reduction in salary—it would not be economical to start with—but it might very well adjust itself in the course of comparatively a few years into being an economical policy for the reason that the Government would have the very pick, the most efficient help the country could produce. There are very few positions so menial in the service or anywhere else where an industrious, stirring individual cannot effect great improvements and produce results that will have economic value. If you start a superannuation scheme with reduction of salaries, conditions will have a tendency to adjust themselves. In England they have gone into that very thoroughly. They had departments side-by-side with one another. They had one with superannuation and the other without and the same class of work in both. They came to the conclusion that employees with superannuation are held to their work on lower salaries than those in other establishments.

*By the Chairman:*

Q. After all it becomes a practical matter as to what is most profitable to the State?—A. It is a practical matter mainly and that is looking at the thing broadly, from every point of view. There is one objection I think to a free pension scheme. I am not in favour of it personally, although I do believe on the whole it is perhaps the most economical. But there is one point of view. It is doubtful if in the long run your employees are going to be so well satisfied under it. First of all there is just a suspicion—well, already, there is a suspicion against the Civil Service that they are, in a way, living at the expense of the country. If in addition a free superannuation scheme were given, it is rather irritating to employees and then again the salaries are kept—that is the experience in England—are kept at a lower scale than they otherwise would be and in some particular cases, where men are practically forced to leave their employment for personal reasons, there is no scheme under which any return can be made to them. They have contributed nothing. They can make no claim for return. That, under the railway scheme in England has proved an unsatisfactory arrangement. Men feel that they should get some consideration when they leave although of course they cannot expect to get the full quota.

*By Mr. Boys:*

Q. You are in favour of retirement as a civil servant grows older, giving reasonable superannuation?—A. Yes.

*By the Chairman:*

Q. After a superannuation scheme came into force, it would be to the interests of the country and possibly of the service that every care should be taken to prevent admission to the service of persons who would, at too early an age become incapacitated from physical reasons?—A. Yes.

[Mr. A. D. Watson.]