

other Act was passed making it necessary for civil servants to contribute. This arrangement had a short life, and in 1824 the provision for contributions was replaced and the contributions which had been collected were returned. This generous spirit lasted till 1829, when the contributing principle was restored, the amount being  $2\frac{1}{2}$  per cent. on salaries up to a certain limit and 5 per cent. above it. This went on till 1859, when free pensions were granted, being one-sixtieth of the final salary for every year of service, not exceeding forty-sixtieths. The settlement on this footing remained undisturbed till lately, but the subject was frequently discussed. For a time the pensions were looked upon as a gift by the State which could only be gratefully accepted. The men already in office were of course directly benefited by the abandonment of the contribution. But as time went on and new men came in, the belief arose that the pension had an effect on the amount of salary paid to them, and was therefore in effect "deferred pay." It was, we believe, officially maintained that pensions were not "deferred pay," and this was correct in the sense that in fixing rates of salary it was not the practice to base the sum in any case on what appeared to be a reasonable salary and then to lower it according to the value of the pension right; but in a larger sense, as the attraction to the service consisted in not merely the salary but the salary plus the pension, men were in fact obtained for a smaller salary than would have been the case if there had been no pension. In other words, whatever may have been the intention of the treasury, the normal economical rule applied and the pension became part of the consideration offered to and accepted by the civil servant, and affected the amount of the other part of the consideration. That this was not merely theoretical but practical was shown by cases in which a higher

rate of remuneration had to be paid when no pension was granted than was paid for the same class of work where one was granted. It may indeed be argued that, generally speaking, it is cheaper, provided the work to be done is of a permanent character, to grant salaries plus pensions than to grant salaries alone. The moral influence of the expectation of a pension is very great, apart from its purely economical value. A higher standard of integrity and conscientiousness is secured, for the State is virtually holding something back which will be forfeited by misconduct. But as this view grew that pensions were "deferred pay," two objections began to be felt to the system on which they were granted. One was that civil servants could themselves do better with the amount of their contributions than the State could, and the other that it was unjust that the whole of the amount should be forfeited by death or resignation before the age of retirement. These arguments resulted in the Superannuation Act of 1909, which provided for the payment of a year's salary on death whilst still in the service, for a cash payment on retirement of one-thirtieth of a year's salary for each year of service, and on the other hand for the reduction of the pension from one-sixtieth to one-eightieth for each year of service. This arrangement secures a possible provision for widows and orphans whether an officer (after five years' service) dies in harness or after retirement. There is, it is true, no obligation on the employé to leave the money in either case to his widow and children, and no doubt it was considered that any attempt to secure it to them would be too great an interference with domestic arrangements. The option of coming into the scheme has been generally accepted by present members of the service, and it is clear therefore that the desirability of having a provision in case of death has been widely appreciated.