

Some Objections to Superannuation Discussed.

A popular objection to superannuation, which influences many voters and taxpayers to oppose the establishment of retirement systems for public employes, emphasizes the injustice of taxing workers in general for the benefit of a special class of employes. The attitude of the man who urges this objection is that the class of public employes is a peculiarly favored one; its members draw good pay in easy berths. They ought to take care of themselves in old age. "Why should I be taxed," the objector asks, "in order to provide pensions for this favored class?" If pensions are to be granted at all, it is contended, they ought to be passed around to workers of all classes. It is unjust to single out any special group of beneficiaries. In this connection there appears to be a particularly strong objection in the mind of many opponents of superannuation to the payment of retirement allowances to clerks and salaried employes. Some who approve of retirement allowances for common laborers earning small wages, strenuously object to the extension of the benefits of the retirement system to better paid employes. It is argued, in support of this objection, that the handicap of age is much less in the case of clerical employes than in the case of manual laborers. It is said that an old man can push a pen when he could not swing a pick effectively.

The latter consideration contains a measure of truth; but the handicap of inefficiency is certainly present in the case of a clerical staff made up of old men, even if the loss on this account is less serious. Moreover, even if salaried employes ought to be expected to accumulate enough for their maintenance in old age, they do not, as a matter of fact, usually make such provision. The fact that an employe draws a good salary is no guarantee that he will not be found entirely resourceless when he reaches the age at which retirement in the interests of the service should take place. The State is confronted in this case with the dilemma of discharging a worn-out employe without means of support or retaining him to the disadvantage of the service.

As regards the fundamental objection that it is an injustice to tax the workers in general for the benefit of public employes in particular, it is to be observed that this contention rests on the assumption that a retirement system must involve an additional burden on the taxpayers. This assumption is entirely gratuitous. It would certainly not hold true of a properly organized contributory system with a large share of the expense borne by the employes. Private corporations even regard a wholly non-contributory system, in which the pensions are paid entirely by the employer, as economical. It is reasonably certain that a contributory system would, in the long run, save money for the taxpayers. Such saving would be effected in three ways: First, through elimination of the direct waste of money paid to aged employes who had outlived their usefulness; second, through stoppage of the indirect loss entailed by the slow pace forced upon the rest of the workers by the presence of inefficient veterans; third, through the positive gain that would result from the substitution of younger men for the superannuated employes, from the increased efficiency promoted by the retirement system, and, possibly, from the attraction of a higher grade of men into the service.