

## MEMORANDUM ON SUPERANNUATION.

To His Excellency the Governor General in Council.

MAY IT PLEASE YOUR EXCELLENCY :—

The Commissioners appointed to enquire into the administration of the Civil Service of Canada, have now the honour to present the following memorandum respecting Superannuation. They regret that, owing to the many interruptions and unavoidable loss of time through sickness, in a very trying winter, they have not been able to devote to this important matter the time and attention it deserves. They wish, therefore, that the following shall be taken rather as a preliminary memorandum than as embodying matured conclusions on the subject. The Board of Civil Service Commissioners may well be entrusted with the task of framing conclusions on the subject, which may safely be acted upon.

1. At the outset, the question arises whether it is expedient for the Dominion to provide superannuation allowances at all for its public servants; for it has been urged in the House of Commons and in other places that the duty of the State should be to pay adequate salaries, and leave to its servants themselves the duty of making proper provision for their own future wants as well as those of their families.

Your Commissioners, on due enquiry into the whole subject, are of opinion that it is eminently desirable, and in the interests of the public, that a superannuation system should form part of the scheme of carrying on the public service, and that such a system if properly administered directly leads to both efficiency and economy in administration.

2. It has been well said in the report of the English Commission of 1857, that "It may be true that it is strictly the duty of the heads of the departments to remove from the service all public officers who have become, from any cause, incompetent fully to discharge their duties, without regard to their feelings or future position; but experience has shown that this is a duty, the performance of which it is most difficult, if not impossible to enforce, and as it is impracticable, by any regulations, to define beforehand at what stage of declining health or increasing bodily or mental infirmity, incompetence begins, the result is that, in the absence of superannuation, *inefficient persons are retained in the public service.*"

"The injury caused to the service by the retention of inefficient officers might, no doubt, be in part corrected by increasing the numbers of the establishment beyond what would have been required had all the servants been effective; but it would be impossible to justify such an arrangement, and under such circumstances the public service would be a loser for want of superannuation allowances probably in actual money, and at all events, in the less direct results. The evil consequences of retaining a single civil servant in an important post for which he has become incompetent, cannot be estimated in money, and may be much more than an equivalent for the expense of the superannuation of a whole department. For these reasons, we are unhesitatingly of opinion that the public interest will be best consulted by maintaining a system of superannuation allowances."

3. From the opinion quoted it will be seen that efficiency is secured by the adoption of an advantageous system, whereby the State can remove from office the aged and inefficient, the retention of whom in the service at, doubtless, high salaries would lead to such an enhanced expenditure, that economy in actual money, to say nothing of the less direct results, would not be effected.

It may be further pointed out in this regard that the last report of the present Royal Commission on the English Civil Service states: "If it be objected that pensions have some tendency to prevent the discharge of unfit men until such time as the pension becomes claimable, we would point out that pensions help to retain in the service men who might otherwise be tempted elsewhere; and as we believe that to a constantly increasing extent the service is manned with good material, we think this recommendation of the system may be set against the objection."