

be very important for if the sum is earmarked, if the benefits are limited by X dollars, let us assume that they are profits, reasonable benefits, all arranged for in advance and the constitutions have been based upon the age of persons of very nearly the same group so as practically to be based upon the age that in the long run, taking the lives of the people and their health, would produce the benefits required, and then there is no temptation on any individual or group of individuals to burden his own fund because he will not get anything more; he will just get the benefits which are there. But the temptation has been overpowering to members of Congress, that is to say to the Legislature, to grab benefits at the demand of interested persons on a fund which seems to them huge. They do not seem to be able to grasp the idea of the fund eventually becoming bankrupt. That is the history of legislation and if the past teaches us anything it teaches us that it is one of the greatest safeguards to the younger and middle-aged employees that the fund should be earmarked to each individual person as if it were a savings bank contribution which at a certain time would be enough to give them certain benefits to which they have been looking forward and which would be guaranteed by the Government.

There is one other thing on the side of the employees in connection with an efficiency system that I have not seen emphasized; that is the great injustice that is done to that particular employee who has become disabled and is not able to walk to the Government office. There may be some other clerks whose heads have gone to pieces but who can walk to the office. That man draws his salary. They do not like to dismiss him. But the other man whose head may be a great deal better and who would still be able to do some work for the Government is afflicted with such an infirmity that he cannot get to the office. He gets nothing. The man who can get to the office is retained on the principle that the Government employee should be treated leniently. That has been shown to be a very extravagant system, one that costs the Government a great deal with very little return. But I do not think that the immense injustice of the thing has ever been quite clearly pointed out. The man who gets to the office may draw that salary until he drops.

Mr. MEYERS: For your information I desire to state that the impression you are labouring under in reference to civil servants receiving salary during disability, as far as postal employees are concerned, is a mistaken one. They are forced to pay a substitute. They do not receive any salary when sick.

Mr. DANA: I understand that. I am referring to cases of old age. A man walks to the Department in Washington and is able to go there and get a little work done. He may be paid \$1,200 or \$1,500 a year, but he is not doing more than \$200 or \$300 worth of work. But somebody else in the Department who cannot go to the office at all and who is permanently incapacitated is quietly dropped. That is the case of injustice of which I am speaking.

There is one other thing about this joint contributory plan. I do not think it makes much difference whether it is joint or wholly by the employee, in the long run it takes care of itself I believe, if we can rely upon past experience. But there is this difficulty, that whereas the direct contribution under the English system of a direct pension came out of the employee, that was not based upon any accurate data and cost more than a deferred annuity would have cost him at the same time and in the same way. I cannot see why it would not be that the half of that which apparently comes off the Government is indirectly coming out of the employee. That is to say, as it was