view strictly to the efficiency of staffs, it will be agreed that the arrangement would scarcely be a fair one for the Government, the officials themselves having contributed nothing towards superannuation. And yet, to expect these officials to make good by contributing, with or without interest, at the full rate applicable in the case of those entering hereafter would be equally unjust, and in most cases the making good of the deferred contributions would be a virtual impossibility. Thus to give an illustration : suppose such an official to have served 30 years; his salary during the first 10 years having been $1,000; during the second 10 years, $1,250; during the final 10 years, $1,500. Payment of the full 4% rate of contribution (with interest at 4%) would require a sum of $2,710. Few if any could hope to make such a payment and to attempt to differentiate cases according to ability or inability to pay would be quite impracticable. A solution of the difficulty on this basis is thus seen to be out of the question.

10. The following will appeal to most persons as a reasonably fair method of reconciling the conflicting interests, in so far as these can be reconciled. It is very generally agreed in connection with superannuation funds that employers and employees should contribute upon equal terms, the benefits of any system being reciprocal,—advantageous to the employer as enabling him to keep his staff at a high level of efficiency, and to the employee by providing for his old age. This principle being recognized, it follows that the Government, when it superannuates an official after, say, 35 years' service, is in reality providing at its own cost for 17½ years (or one-half of the allowance), for the official's own contributions have been sufficient to provide only for the other half of the allowance. Now to a case in point: an unclassified official, with a service-period of 20 years, is to be placed in the classified ranks and brought within the scope of a Superannuation Act. Upon the principle above referred to, such official might properly be credited with the prospective right to an allowance based on one-half of his period of service, — 10 years. The remainder of the allowance has not been earned by the official's own contributions, and he should only be permitted to increase the effective period upon which the allowance will be based upon making the forborne payments. For the future he would of course pay the usual rate. Even if no payments were made in respect of the past, such official would be entitled to a superannuation allowance based on an effective 25 years, if he continued in the service 15 years longer. The principle thus illustrated hypothetically is capable of general application.

1. As to the provisions in the Commissioners' Superannuation Bill, which permit of allowances to widows and children, the scale upon which such allowances are grantable is a moderate one. The need for these allowances must be squarely fronted, and any measure which does not include them is only half complete. There is one other method by which the same object can be attained,—whether as effectively and economically will be questioned,—viz., by a compulsory insurance system. In order to show what other countries have been doing by way of providing for dependents of public officials, the following statement is added, showing in synoptical form the chief measures of Continental Europe and the recent New Zealand Act. To give this statement greater value for informative purposes, the other chief features of each of the systems are also noted. It is impossible to say, except as regards the New Zealand scheme, which went into effect last year, whether these Continental systems are in operation at the present moment. It is difficult to procure recent information from the countries mentioned, and all that can be said is that the systems were in full operation some years ago :