But in order to obtain a more correct average of the annual growth of the charge, the computation should be carried on to such a point as will represent equilibrium, or, in other words, to that point at which the annual charge will remain as nearly as possible a fixed sum. Looking at the figures above quoted, it would seem as though that point were rapidly approaching, the annual increase of charge for the past three years being as follows:—

In 1870–71	...	...	£684
1871–72	...	...	620
1872–73	...	...	282

while for 1873–74 the amount of the authorized pensions payable shows an increase of only £137.

Assuming as an outside calculation that the point of equilibrium will be reached in five years' time, and that the annual charge will then be £10,000, it follows that the average annual increase during the whole twenty years will be at the rate of £500 per annum; so that assuming all existing pensions to be otherwise provided for, any arrangement to be made in respect of pensions yet to be granted would require to provide for an annual charge of £500 for the first year, £1,000 for the second, £1,500 for the third, and so on up to the twentieth year, at which point equilibrium will again be attained, at an annual charge of £10,000.

From the tables prepared by the Actuary appointed under the Civil Service Act of 1871, it appears that the total salaries drawn by the officers of the Civil Service on the 14th November, 1871, amounted to £203,358; and it would accordingly require a contribution of £4 18s. 4d. per cent. on that amount to make up the sum of £10,000, required as above.

If, however, provision for the payment of pensions of officers in the Service on the 14th November, 1871, is to be made by deductions from salaries, such deductions can only be made from the salaries of the officers interested, and it must be borne in mind that the number of contributors is a constantly diminishing term; consequently, a rate of deduction which in the earlier years of the arrangement would be sufficient to provide for the annual liability, would afterwards prove altogether inadequate to that object.

C. T. Batkin,
Secretary to the Treasury.

Treasury, Wellington, 7th August, 1873.