From the Civil List to Deferred Pay:
The British Government, Superannuation and Pensions 1810-1909

‘Throughout his long service Moses James Nobbs has discharged his duties with uniform diligence and fidelity to the entire satisfaction of his superior officers. By Command of the Postmaster General.’ [Postal Museum POST 1/231]

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I certify that this thesis is my own work:
Abstract

The history of pensions tends to bookmark the nineteenth century. It either focuses on the pensions associated with placemen, sinecurists and the Civil List, elements of ‘Old Corruption’ targeted by the early nineteenth-century reformists. Or, the focus is on the emergence of old-age pensions towards the end of the century—the different schemes and ideologies that ultimately culminated in the pivotal 1908 Old Age Pensions Act. However, over the course of the nineteenth century occupational pensions were growing across a number of industries.

This thesis aims to focus on those pensions, drawing out the motivation behind their creation and implementation. Using the theories of new economic sociologists as a methodological framework the thesis looks closely at the definition of pensions and how this was changed and manipulated by the government, other organisations and workers.

In 1859 the British government passed the Superannuation Act. This Act entitled all civil servants who had served for ten years or more and were unable to work due to old age or infirmity to retire on a fraction of their final salary. The Act was an important part of the reform of the Civil Service but in many ways it was also a watershed for retirement remuneration. It built on previous regulation that had established the condition of a retirement payment to be based on age, as well as evidence and ideas of loyalty. But it importantly made this form of payment without the need for employee contribution. Pensions were now part of the employment contract and standardised across the Civil Service, including the lowest paid letter-carriers and rural messengers of the Post Office.

This system was extremely influential. The thesis examines its impact not only on Post Office workers within the Civil Service but also on pension provisions in related industries, including the East India Company, Bank of England and two railway companies. Through examination of this range of institutions, the variation in ideology and practice behind nineteenth-century pensions become apparent. By the end of the century, the civil servant and the aged pauper were portrayed both as equals and as polar opposites. Both perspectives rested on whether pensions were viewed as deferred pay or as remuneration solely due to service and loyalty. The end of the nineteenth century saw a tug of war between civil servants and the government over the definition of the Civil Service superannuation. This thesis argues that the government maintained control over the provision by refusing to define superannuation as deferred pay, but it gave Civil Servants the concession of including provisions for families within the superannuation system. Civil servants were forced to concede their claim of entitlement to ensure their demands for families were met.
Acknowledgements

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The research question underpinning this thesis was stimulated by a collection of documents in the Postal Museum’s archive (then known as the British Postal Museum and Archive). These documents were the pension applications within POST 1, the Treasury letters; they were predominantly used by family historians. I fell in love with these documents and the insight into the lives of workers they contained. My question was simply: why did these documents exist at all? Thank you to all the staff at the Postal Museum, notably Dr Adrian Steel and Chris Taft, who have helped me access and interrogate these and other sources.

Over the past six years or so I have been very fortunate to work with and be inspired by a number of historians. I would particularly like to mention Vicky Davis, Dr Helen Glew, Dr Anne Murphy and Dr Caroline Nielson for their interest in and encouragement of my research, as well as their support and advice. Dr George Gosling deserves a special mention for introducing me to the work of Professor Viviana A. Zelizer—an important turning point in the crystallisation of my ideas.

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I want to finish with a big thesis hug to my friends and family outside of academia. Both my mum and dad gave me a good grounding in a career in academic and public history—whether by watching Wild West documentaries or historical and political debates with me. Thank you to my mum, sister, niece and nephew for all your love and support. Finally, to my husband Jon, my son Liam and my daughter Caitlin, who arrived between submission and examination—thank you, I couldn’t have done it without you. It is to my family that this doctoral thesis is dedicated.
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Watercolour by H. E. Brown in c. 1890.
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Introduction:

Rethinking Pension Reform in the Long Nineteenth Century

‘What is a pension? No doubt a “pension”, strictly constructed, is an annuity; ... As the word is generally understood, it means a reward or retiring allowance, granted in pursuance of a contract of service, or in consideration of long or special employment, or of injury therein, of by way of compensation for the abolition of a public post which a person rightly expected to continue; or, more generally and correctly, it is deferred pay, arising either from specific reservations from salary or wage, or general reservations by those salaries or wage having been less by reason of such stipulated deferred payments or pensions.’

L. C. Alexander, *Industrial Superannuation versus Pauper Pensions*, 1899

At the end of the nineteenth century, pensions were a controversial topic: debate raged over what a pension was, who should benefit from one and who should pay for it. Addressing a meeting of the National Liberal Club’s Political and Economic Circle in 1899, L. C. Alexander set out his definition of a pension to be a reward or deferred payment in exchange or as compensation for something. It was part of a contract of mutual understanding, a reflection of a relationship.¹ By contrast, the various proposals for old age pensions, which involved some contribution ‘by the state or parish’, were not pensions but a ‘qualified or thinly disguised form of out-door relief’; even if it was partly funded by the working man, it carried the ‘stigma of the semi-pauperism’. Furthermore, even an annuity or superannuation that was acquired by the working-man’s ‘own unassisted providence’ was something different to a pension since it was the result of ‘perfect independence’, with ‘thanks to nobody’.² The purpose of Alexander’s paper was to argue for the establishment of an industrial superannuation to support the aged poor, and consequently he was not arguing for the creation of a pension, but for a system that

² Ibid., p.2.
would support the ‘legitimate self-reliance, self-help and self-respect’ of the working population.\(^3\) It was in effect a tax that would pay an annuity, enabling the working man to look ‘the taxpayer and ratepayer proudly in the face’.\(^4\) Alexander suggested calling it the ‘superannuation tax’, but conceded to it being called a pension, if the working-man desired—an indulgence to what he perceived was an unjustified attachment to the word.

Unfortunately, no further details survive to tell us more about Alexander, his background or what brought him to publish his views on the old age pensions debate. He was certainly not a central or influential figure within the movement, and, in many ways, his scheme was flawed. It casually neglected women, lacked actuarial approval and would not have been able to make its first payment for fifteen years. Nevertheless, Alexander’s paper did articulate carefully crafted definitions of payment where relationships were central. In these definitions the true meaning of a pension rested on a relationship of exchange, reward or compensation, whereas superannuation was focused on the responsibilities of the individual, with any money from the state being seen as charity, representing a shameful reliance on others. Industry and the individual were set in opposition to the state as preferred payee, which would enhance the status of the recipient. He was not the first to declare that using the word ‘pension’ for a government payment did not change the meaning of the act.\(^5\) Yet, his paper is useful for highlighting clearly the importance of the identity of payee and recipient and the nature of their relationship in determining the meaning of a financial exchange.

This focus on the relationship between payee and recipient is important when thinking about pensions in the long nineteenth century—this is a central theme of this thesis. There has been substantial work on pensions at the beginning and end of the century, locating the relationship between the state as payee and recipient as either aristocratic or an elderly pauper. The historiographies of ‘Old Corruption’ and old age pensions bookend the nineteenth century: they appear to stand at polar opposites; but by examining the development of occupational pensions, and particularly Civil Service superannuation, some continuities can be identified. Superannuation schemes for civil servants—which

\(^3\) Ibid., p.23.

\(^4\) Ibid., pp.23 and 17.

\(^5\) A good example of this is the paper written by Edmund Fitzmaurice, one of the committee members for the 1899 Select Committee on Aged Deserving Poor. He argued using the word ‘pension’ within the debates of providing welfare for the aged poor was using the word in a ‘new sense’, and, instead, associated the word with work and conditions of service in employment. PP 1899 [296] Select Committee on Aged Deserving Poor together with the proceedings of the committee, minutes of evidence and appendix, p.218
included thousands of middle- and lower-middle-class employees of the Post Office as well as the highly paid departmental secretaries—were frequently justified and defended not simply as an important part of their remuneration or deferred pay, but also as a fundamental responsibility of the state. Consequently, this thesis will ask why they were installed and developed in this period, what role the employee played in their development and how definitions and perceptions of occupational pensions changed over the century. In order to answer these questions, ideas about pensions and pension reform in the nineteenth century need to be reassessed, putting relationships and cultural meaning at the heart of the analysis.

Money, Power and the State

In order to reassess pensions in this way, this thesis draws on the recent history of economic culture and sociology. Economic relationships and transactions have been of interest to sociologists for a long time, most recently culminating in a field of scholarship called the new economic sociology. This field of study may have been around since the 1980s but it has had limited influence on the work of historians. There is evidence of a broader analysis of social relationships through monetary transactions seen in Margot Finn’s *The Character of Credit* and Rebecca Spang’s *Stuff and Money in the Time of the French Revolution*, and Spang’s assertion that ‘money works only as a relation between people’, has been particularly influential to this thesis. Yet, the application of the new economic sociological interests related to economic relationships, power and inequality have not been fully utilised, and anthropology has had a much more distinct influence on historians’ analysis of credit, trust and gift exchanges. Looking more closely at the

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6 The ‘Introduction’ to M. Granovetter and R. Swedebeg (eds.), *The Sociology of Economic Life* (Oxford, 1992), pp.1-22, provides a short history of economic sociology, placing the origins with the ‘first sociologist’, Auguste Comte, as well as Emile Durkheim and Max Weber who all saw fault with economics being studied in isolation in the nineteenth and early twentieth centuries. However, most of the twentieth century saw a divergence of the two disciplines. In the 1950s anthropology began to see the benefits of incorporating economic theory and Karl Polanyi’s work on pre-industrialised society was pioneering. Although it was not until the 1980s that the ‘New Economic Sociology’ emerged, stemming from shared interests between economists and sociologists in labour markets and financial networks. More recently economic sociologists have turned their interest to globalisation, post-industrial societies and the ‘end’ of class in forming identities, demonstrated by F. Tonkiss, *Contemporary Economic Sociology: Globalisation, Production, Inequality* (London, 2006).


9 Rebecca Spang’s work on the French Revolution does not directly reference new economic sociologists but has been influenced by similar thinkers. The work emphasises the importance of looking at how ‘debt, debris, memories and tax arrears’ were managed in this time of great upheaval, mixing analysis of material and more abstract notions of money. Asserting that ‘money’s value is conventional and socially
theories of new economic sociology pioneers, such as Viviana A. Zelizer, offers increasing range to consider financial relationships based on exchange and money. Through this work a new lens for the assessment of pensions becomes available, one that is not simply focused on the definition of pensions as a monetary exchange but that examines where the power in that relationship between recipient and payee lies and what that payment could mean for both parties.

Over the past few decades new economic sociologists such as Zelizer have refuted theorists who have treated and described money as a transferable quantity with no greater meaning than its quantifiable currency. Instead, Zelizer suggests that ‘people make every effort to embed money in particular times, places, and social relations’. The reason for money being paid out is just as important as where it has come from and the payment itself in helping to determine or assign meaning. Focusing more closely on the relationships derived from payment Zelizer has identified three main types: compensation as a form of direct exchange; entitlement as the right to a share, and a gift when one person voluntarily bestows upon another. This categorisation is important as each type of exchange also denotes an exertion of power:

‘Money as compensation implies an equal exchange of values and a certain distance, contingency, bargaining, and accountability among parties. Money as an entitlement implies strong claims to power and autonomy by the recipient. Money as a gift implied subordination and arbitrariness.’

In the context of this study the significance of the definition of payment for an occupational pension focuses on government as the employer and the civil servant as employee. Consequently, by looking at occupational pensions we gain greater insight into how power was exerted over citizens through the employment structures used by

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government over the nineteenth century, as well as cultural understandings of pensions and these financial relationships.

Cultural understandings of financial relationships has been a growing area of scholarship. The works of James Taylor and Paul Johnson have demonstrated that governance of the Victorian financial world was based on ideological attitudes and ideas that are distinctly different to what we would understand today. This was a time when economic activity was best ‘conducted by individuals or small groups of entrepreneurs’ and companies were not a separate entity to these individuals. Consequently, government action, where company fraud was concerned, exhibited a desire to ‘uphold the traditional regulatory roles of participants in commercial activity’. The state was deeply involved in economic relationships acting as a monitor of property rights, enforcing contracts and governing the corporate world. Johnson stipulates that the creation of the market could not have been a natural thing, but carefully constructed by the key political actors reflecting their interests and power. Furthermore, laissez-faire individualism was not the prevailing characteristic of government and the ideas of morality and character as well as collectivism were present. A culture of individual responsibility and the importance of trust through familiar and traditional practices were important and the traditional ideas and practices surrounding economic relationships lasted longer into the nineteenth century than has often been supposed.

This work builds on that of Searle, Finn and Daunton which has provided new insight into the ideologies that shaped economic life in the nineteenth century. A recurrent theme is the centrality of relationships in determining economic action, demonstrated by the fear of transferring ownership and control from shareholders to a board of directors, or the persistence of acts of mutual obligation that provided scaffolding to contractual agreements through ‘customs, obligations and expectations’. Martin Daunton’s Trusting Leviathan exposes the complex relationship between the government and taxpayers as economic policy was established. A careful balance of ‘consent, trust and

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16 Ibid., p.24.
legitimacy’ enabled the Victorian government, through Gladstone’s fiscal constitution, to remove taxation as a contentious issue and create a sense of fairness in the system.\textsuperscript{18} State finances were carefully managed through retrenchment and the construction of ‘norms of probity and transparency’ to instil a sense of legitimacy and trust.\textsuperscript{19}

The creation in 1810 of a formal superannuation scheme for civil servants was part of this retrenchment, part of the move away from connotations of ‘Old Corruption’ and important in building trust with the public. Sinecurists, placemen and pensioners were frequently singled out as examples of a corrupt system of government privilege, evidence of the economic inefficiency of the aristocratic elites. The subsequent reforms in the 1830s have been seen as part of the birth of a more modern bureaucracy, and fixed salaries and superannuation provision for civil servants were part of this modernisation, a move away from the ‘parasitical and ‘corrupt’’ characteristics of the state.\textsuperscript{20} Yet, this transition from the Civil List to Civil Service superannuation suggests continuity as well as reform, as notions of loyalty and service and an expectancy of retirement provision were transferred from one type of payment to another. The creation of superannuation schemes was part of reforms to prevent officials selling their positions, or taking bribes and to re-establish public trust in government finances.\textsuperscript{21} They were important in reshaping public opinion, but this study will focus on the way the reforms altered the relationship between public servants and government. As the report for the 1857 Royal Commission stated, superannuation had been established as civil servants could not be ‘permitted to starve’.\textsuperscript{22}

There was a sense of obligation and responsibility that rested with the state, and consequently became an entitlement for the employee. This was a commitment made at the point of employment and there was a sense of duty to fulfil it at the end of employment, though within specific regulations based on age and loyalty. However, this did not mean that Civil Service superannuation was continually viewed as an entitlement. By the end of the nineteenth century there was some uncertainty surrounding how

\textsuperscript{19} Ibid., p.29.
\textsuperscript{22} PP 1857 Session 2 [2216] Report of commissioners appointed to inquire into the operation of the Superannuation Act, pp. xi.
superannuation should be defined. Was it deferred pay or simply a gift? If it was deferred pay, was it compensation for a lifetime worked, or money accrued and owned by workers?

An examination of this relationship and the need to define it more carefully is crucial, owing to the impact that the Civil Service superannuation had on various other occupational schemes. Leslie Hannah has done much to identify the wide variety of occupational pension schemes that developed in the nineteenth century, describing the Civil Service scheme as ‘an important model’ for other sectors. In a wide ranging survey of schemes, Hannah argues that the growth of occupational pension schemes was evidence of ‘an expression of new requirements’ in labour relations. A move from paternalistic ideas and towards a desire to build trust on a basis of ‘mutual interest’. This thesis takes this analysis a step further. Trust and mutual interest are certainly important factors in cultivating loyalty and they were features of the emerging ideas related to personnel management. This is not, however, the whole story: by analysing the way pensions were defined and what they meant to employers and employees in closer detail, continuities can be seen, in addition to the greater influence of the Civil Service scheme. The importance of this type of analysis can be seen through the work already achieved on old age pensions.

Old Age Pensions

In the substantial historiography on old age pension debates of the late nineteenth and early twentieth century there has already been an examination of how ideas about what a pension was and who it was for could shift and bend. The 1878 publication of William Blackley’s ‘National Insurance’ article tends to be taken as the catalyst for the old age pensions movement, although a number of similar schemes had been suggested at various times since the eighteenth century. Macnicol has shown that despite old-age pauperism declining at the end of the nineteenth century, Blackley’s article fast became the centre of a debate focused on poverty and poor law reform. Associations with charity were never far away but neither were attempts to remove this stigma and provide a payment to

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24 Ibid., p.22.
25 Ibid.
27 Macnicol, Politics of Retirement in Britain, p.27.
‘which the recipient [was] worthily entitled’. Pat Thane’s work on the range of support amongst working class groups for old age pensions shows that friendly societies and trade unions were initially suspicious: they did not feel workers were entitled to this form of welfare, considering that they were, instead, entitled to a fair wage to provide for themselves. Jose Harris has also emphasised the role of independent collectivism or self-help amongst the working classes, demonstrating how it was used in arguments both to increase and decrease state intervention. Overwhelmingly old age pensions were seen as a gift or form of charity—but one that should only be given to the deserving. The overarching ideology of the late nineteenth- and early twentieth-century provision of welfare was to assist those of good character who had attempted to provide for themselves and their family but who had fallen on hard times—and not to provide a crutch for poor people who were considered to be ‘feckless’. It was a gift, but one based on an equal exchange of values and morals; it could therefore be conceived of as a form of compensation, particularly if a contributory scheme was devised. Concepts of morality and thrift were evident in not only the ideas of who should receive the pension but how it should be paid for.

However, ideas surrounding entitlement and responsibility for old age pensions changed once the Act had been passed and pensions began to be distributed. Martin Pugh has used Post Office records and newspaper reports to argue that new pensioners ‘found it empowering’. The legislation gave the pensioners power so that, rather than making them dependent upon it, the government was instead put into a difficult position, as it had to manage the responsibility of a popular reform with little opportunity for imposing future constraints without facing the wrath of voters. Instead, the government had to deal with pensioners’ organisations campaigning for extensions of the policy for the

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28 From a 1879 publication by R. P. Hookham, *Outlines of a Scheme for Dealing with Pauperism*, which suggests a payment for all classes in a bid to remove any resemblance to a ‘charitable dole’, quoted in Macnicol, *Politics of Retirement*, p.28.
31 Ibid., p.103.
34 Ibid., p.796.
country’s worn-out workers and mothers, with the pension represented ‘as a reward for citizenship’. The popularity of the reform is explored specifically in Ireland by Cormac Ó Gráda, who argues that nowhere else appreciated or exploited the new provision quite as much. Compared with the other countries within the United Kingdom (UK), Ireland had a higher proportion of elderly poor and low wages meant that pensions went further than in the rest of the UK. Its popularity, consequently, had implications for the new Irish State, founded in 1921, which became as politically constrained around the welfare policy as the British government. These works may not explicitly reference Zelizer’s definitions of payment, but they can still be seen through the relationships explored by Thane, Harris, Pugh and Ó Gráda, as the state pensions went from being a gift to an entitlement, which in turn put the British and Irish governments at the mercy of the electorate. The power was transferred from the payee to the recipient, a development that had not been predicted in the policy debates leading up to the 1908 Old Age Pensions Act. As a parallel development, it is consequently unsurprising that views and perceptions of Civil Service superannuation and the relationship it represented, between government and civil servant, also changed as reforms were made.

By the beginning of the twentieth century, two parallel systems of pensions had emerged. They were aimed at two separate groups of people: old age pensions targeted the poorest two-thirds of the population; and occupational pensions covered ‘a much smaller but more diverse group of employees’. Changes in the labour market had encouraged both systems to develop with, as Macnicol has described, technological improvements contributing to the ‘shaking out [of] older workers’. The debates over old-age pensions were often framed as an industrial problem, with an emphasis on problems for male workers (though the biggest beneficiaries of the welfare once it was rolled out would be women). Therefore, it is possibly unsurprising that several parallels can be drawn between the design of the two systems, aside from their aim to provide some financial assistance in old age. Aspects of character and morality also sat at the heart of the administration of superannuation. Civil servants were legally required to have served with ‘diligence and fidelity’ to be entitled to a pension, encouraging good character and

35 Macnicol, Politics of Retirement, p.10.
37 Hannah, Inventing Retirement, p.29.
38 Macnicol, The Politics of Retirement in Britain, p.28.
39 Ibid., p.11.
behaviour. Furthermore, through the Post Office pension records it is evident that workers could be punished twice, once for misconduct during their working life and again through a deduction in their pension. This focus on morality went part of the way to shaping how the subsequent old-age pensioners saw themselves when they received a pension. Like civil servants, they were deserving and morally entitled to this payment from the state. Character, morality and entitlement were just some of characteristic parallels between superannuation and old age pensions, though the use of the word pension to refer to both is still striking, and it is worth examining how the words ‘pension’ and ‘superannuation’ have been used and defined leading up to the twentieth century.

**Meaning of a Pension**

By the start of the twentieth century there was no distinct or clear difference in how the words superannuation and pension were used in relation to retirement from work. Both words could refer to a retirement payment with no clear indication of how that payment had been calculated or decided upon. This was not always the case, and a brief examination of how the words have been used enables us to understand why certain parties felt strongly about their definitions and potential appropriation.

The word pension is thought to originate from the Latin word *pensio*, meaning ‘payment’, and it came into use in England in the fourteenth century to mean a regular payment made for service or to retain allegiance.40 By the sixteenth century, the word ‘pension’ could be used to refer to an annuity or other regular payment to a retired employee, servant or citizen, either as a right or due to past services.41 It is this latter definition that appears to have had the most resilience and it is the definition of a regular payment to a retired employee that is most familiar to modern readers.

In Gerald Rhodes’ work focused on public sector pensions, he suggests that up until the eighteenth century the word pension was associated with a source of income, not necessarily connected with old age or retirement but closely associated with the upper classes.42 This is aligned with the ideas surrounding the Civil List or Pension List—a list of people nominated by the monarch or state to receive an annual payment. By the end of the eighteenth century with the heavy financial burden of the Napoleonic Wars, these lists

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41 Ibid.
and their placemen and pensioners were severely criticised for giving public money to people ‘without either ability, integrity, or National esteem’.\(^{43}\) As one 1793 pamphlet concluded:

‘In short, as the dignity and prosperity of a nation so, according to modern calculation, consist in the improved condition of the people, but in the childish and expensive splendour of courts, in the pride and insolence of an over-grown nobility, pensioned on the public purse, and doubling the necessary taxation: and, above all, in the accumulation of wealth in a few hands, by which the prices of all commodities, and consequently the actual poverty and wretchedness of the many are increased.’

Pensions were then payments to nobility, and not necessarily earned or deserved. This was a view promoted and criticised by men such as Thomas Paine and William Cobbett who formed an important part of the radical reform movement. By the start of the nineteenth century, pensions were most probably understood in this way—as part of a corrupt system. However, pensions were already an established part of systems that enabled retirement payments. Norman Chester has demonstrated how the idea that you could own a job role meant that state officials could sell their position or use its capability to extract fees to enable them to retire.\(^{44}\) In this sense, a pension allowed aged workers to stop working and it was something they felt they had a right to through their years of loyal service and position.\(^{45}\)

The definition of the word ‘superannuation’ has made the history of pensions more complex. The modern meaning of superannuation refers specifically to a work-related fund that employees pay into to gain a remuneration in retirement.\(^{46}\) There is a focus on a specific fund paid into by the recipient and, unlike pensions, it is directly linked to retirement. At the start of the nineteenth century, however, this was not a finite definition. A pamphlet from 1816 referred to all retirement payments within the Army or Navy as superannuation.\(^{47}\) Additionally, the 1810 Superannuation Act passed by government established a non-contributory scheme for civil servants. This Act was used to combat some of the criticisms surrounding ‘Old Corruption’ and the pensions given out by government, but it was also seen as problematic as it appeared to entitle government

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\(^{44}\) Chester, *The English Administrative System*, p.25.
\(^{45}\) Ibid., p.18.
officers to a retirement payment.\(^{48}\) From this stage the terms ‘superannuation’ and ‘pension’ were used interchangeably in the House of Commons. In other institutions, such as railways, superannuation could often refer to a system involving a superannuation fund, and the retirement payments made by the Bank of England were always pensions and not a superannuation. The East India Company maintained a dual system, clearly defining their pension payments as distinct to superannuation payment, even if neither were contributory. Superannuation was the system for employees of the Company, whereas pensions could be for employees or anyone else the Company felt deserved one. It is, arguably, through the government’s superannuation system that the idea of pensions as a retirement payment earned through service becomes the principal definition of a pension, simply because their superannuation was presented as an alternative to pensions.

The problematic nature of the word ‘pension’ has occasionally been avoided by historians. C. G. Lewin does not provide a comprehensive definition of the word pension in his work *Pensions and Insurance before 1800: A Social History*, but appears to take the understanding that pensions are a provision for the elderly or elderly and infirm and describes a ‘pensions culture’ as existing from at least 1300.\(^{49}\) Paul Johnson’s *Saving and Spending*, on the second half of the nineteenth century, does not refer to pensions at all, instead focusing on the more easily defined annuities and insurance.\(^{50}\) These can obviously be types of retirement or old age provision but rather than being paid for by someone else or involving an employer, they are private funds which are paid into by the recipient.

The meaning and use of the words ‘pension’ and ‘superannuation’ will be explored in more depth throughout the thesis. As the historiography on old age pensions has shown, ideas of entitlement are important in order to distinguish the cultural meaning and significance of this type of payment. The discussion in this thesis focuses on how private organisations established any distinctions between the ideas about pensions and superannuation in order to develop their definitions, the subsequent impact on the recipients and how government policy may or may not have influenced this.

**Civil Service and Occupational Pensions in the Nineteenth Century**


\(^{50}\) Johnson, *Saving and Spending*, pp.82-6.
Existing work on occupational pensions has emphasised how employers sought to manage a changing workforce in the nineteenth century. Alice Russell’s *The Growth of Occupational Pensions* underlines the complex relationships that grew out of the changing labour market of the nineteenth century, arguing that the welfare schemes that began to develop in this period were symptomatic of employers maintaining control of growing numbers of employees with increasingly specialised skill sets. This is supported by the work of historians such as Hannah and Macnicol who have demonstrated how occupational pensions were a tool in the changing labour market, a way to remove inefficient workers, improve chances of promotion and create a ‘sense of mutual interest’ which could encourage workers to behave. Furthermore, Robert Fitzgerald emphasises the influence of the industry’s market in shaping welfare schemes, stating that ‘Industrial welfare was clearly more a question of business organisation than one of philanthropy or social justice.’

The British government was at the forefront of these changes in the labour market and is renowned as one of the first employers in Britain to provide an occupational pension—the result of a growing bureaucratic state that brought about new ideas of how staff should be managed. The social scientist Marios Raphael has probably done the most of work of documenting its origins and development, tracing a systematic policy for granting superannuation awards to a department in the Civil Service back to 1687 with the creation of a Public Bank of Charity for Excise officers. This fund was for a relatively small group of public servants, and consequently Raphael attributes the creation of a superannuation fund for landwaiters working the Port of London for the Customs department as a more significant development. Pat Thane has suggested that it was the responsibility of these departments to gather tax that secured this innovation. Due to their importance and the increase in full-time salaried staff, the relationship between employer and employee was changing. As Thane states, ‘departmental heads increasingly expected administrative loyalty and sought to encourage an ethos of public duty and private probity’, and this was cultivated by offering greater security at work and in retirement. Raphael argues that it was the experience gained from the management of this fund that

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formed the basis for the first legislation (passed in 1810) that stipulated all civil servants were entitled to a superannuation award, subject to certain criteria.\textsuperscript{57}

The Civil Service may have been a pioneer, but it was not the only employer to offer this type of welfare and Russell and Fitzgerald acknowledge the existence of some sort of industrial welfare from the eighteenth century. Fitzgerald cites the cotton mills of Lancashire as an area where local welfare services were provided and Russell cites the Crowley ironworks at Swalwell and Winlaton as examples of early retirement allowance schemes.\textsuperscript{58} Nevertheless, Russell stipulates that retirement pensions provided by employers during the eighteenth and nineteenth centuries were either discretionary to ‘deserving’ individuals or through provision of the firm’s benevolent club which covered both sick pay and pensions, some of which were provided under legal obligation.\textsuperscript{59} Hannah describes these types of payments as \textit{ex gratia} pensions, they were essentially charitable gifts, but significantly they could become part of a ‘system of reciprocal obligations’, making these pensions something a community felt they could expect and were entitled to.\textsuperscript{60} One of the earliest known pieces of legislation requiring pension provision was passed in 1757. It compelled coalheavers working in the River Thames to contribute to a friendly society administered by an alderman of the City of London and it appears to have been passed to relieve the burden on the provision of parochial relief.\textsuperscript{61}

The state had been involved in some form of pension or superannuation administration for a long time but intervention, as seen for the coalheavers, was rare: on the whole legislation either followed voluntary action by employees or employers, or inadvertently affected retirement schemes.

Contributions have formed an important part of the employment management narrative and were a significant part of the pensions debate, even within government. The fifty years following the 1810 Superannuation Act saw a number of amendments advised through Select Committee reports and enacted through Treasury Minutes and Acts of Parliament.

\textsuperscript{58} Fitzgerald, \textit{British Labour Management}, p.9; Russell, \textit{Occupational Welfare}, p.43.
\textsuperscript{60} Hannah, \textit{Inventing Retirement}, p.8.
\textsuperscript{61} Ibid., p.25.
Table 1. Changes to Civil Service Superannuation 1810-1859

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year</th>
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<tr>
<td>Act of Parliament</td>
<td>1810, 1822, 1824, 1834, 1859</td>
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<td>Treasury Minutes</td>
<td>1821, 1829</td>
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<tr>
<td>Select Committee reports</td>
<td>1828, 1837, 1856</td>
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<td>Royal Commission</td>
<td>1857</td>
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These amendments reflect the changes in attitude prevalent in the government at the time in addition to the perceived stability of the economy, since many focused on whether pensions should be contributory and how much employees should expect to receive when they retired. The 1859 Civil Service Superannuation Act was fundamentally important for enforcing uniformity across government departments, but it also set the standard framework for superannuation in terms of the scale of payment, conditions for eligibility and, importantly, abolished contributions, that would continue well into the twentieth century. The removal of contributions was, in part, a way to take complete control over the administration of the provision and was a policy advised by some actuaries in the twentieth century to give extra freedom in policy design to reduce the need to consult staff. Nevertheless, it did not put an end to the debates. By the end of the nineteenth century, civil servants were campaigning for greater consideration of family, something they saw as part of the commercial company superannuation schemes but neglected in theirs. Instead of giving the Treasury absolute control, the lack of contributions made the Civil Service superannuation ambiguous and debates rested on the differing definitions focused around ideas of deferred pay.

The definition of pensions as deferred pay caused problems for the government and Treasury: they did not want civil servants to claim pensions as property or for civil servants’ families to have a claim on these pensions. The removal of contributions in the 1859 Superannuation Act had intended to eliminate the claims of families as it was felt this was too strong a link to elements of ‘Old Corruption’. In 1903 a Royal Commission

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62 This was significant as it introduced contributions from employees.
was set the task of looking at the superannuation question and appeasing the civil servants who called for their pensions to be recognised as deferred pay. The Courtney Commission, as it became known, defined the civil servant superannuation or pension as ‘remuneration for continuity of service contingently payable on the continuity being maintained during a defined period and not accruing from year to year as an indefeasible interest’. It was not deferred pay, and not accumulated money that could be claimed by the employee, but simply part of a contract of employment. Despite a definition that placed control and ownership of the pension with the Treasury, the Commission advised changes that granted payments to dependents in the event of a male civil servant’s death. The growing number of female staff members were not viewed as needing this requirement and when the possible changes to the pension system were put to the workforce, women did not vote to approve it. Civil servants may not have paid contributions or had their pension defined as deferred pay, but they did successfully campaign for changes to include provisions for male workers’ families.

**Class and retirement remuneration**

By the end of the nineteenth century, there were growing numbers of employers offering pension provisions for their employees, but with a clear distinction between the style of provisions for manual and salaried employees. Working classes were more likely to be part of independent funds through trade unions or friendly societies; salaried employees were more likely to benefit from provisions established by their employer. This practice was echoed even in the Navy where, in 1700, the first employees to receive a superannuation were known as warrant or standing staff and they were the only permanent staff. In addition, the growth of clerical work throughout the nineteenth century also encouraged pension provision as ‘office personnel were regarded as especially valuable’. This is underlined by the decision in 1881 taken by the North Eastern Railway Superannuation Fund that allowed salaried women, who were doing clerical work, to contribute to the fund under same terms as men if approved by the committee. There are obviously exceptions, for example the Northumberland and Durham Miners’ Permanent Relief Society was the largest private occupational pension scheme in Britain.

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69 TNA RAIL 527/1193 North Eastern Railway Superannuation fund 1869-1913.
for many years in the nineteenth century but, by the end of the century, even this was more of a friendly society as the employer’s support tailed off. On the whole, the majority of occupational pensions that originated in and were sustained through employer’s support were for salaried white-collared jobs.

Nevertheless, into the second half of the nineteenth century the role of clerk was more closely associated with that of the lower-middle class, a social grouping that distinguished itself by perceived social standing rather than higher pay. This was a group of people that were socially and politically marginal: they did not earn enough to be economically distinguished from many artisans and skilled working class communities, but they were frequently politically conservative, believing their code of behaviour distinguished them from manual workers. These workers may not have been part of the poorest communities but, as Thane suggests, the certainty of receiving a pension would have changed their lives and prospects.

Amongst the large, bureaucratic, white-collared employers which offered pensions, some did offer some provisions to some non-clerical staff. In a letter to the Bank of France, dated 1 March 1898, the Bank of England described the pension regulations as applying to all officials, clerks, porters and messengers, but not, however, to ‘Agents of the Branches’, or mechanics and labourers, although the agents tended to be granted a pension (generally half their salary) after a long service, and the mechanics and labourers generally received a retiring allowance when old or disabled. However, for others a pension was something to which they could aspire. The East India Company’s superannuation scheme did not apply to labourers, but they could be promoted to the role of messenger or writer, both of which roles were granted pensions under the 1813 East India Company Act. Additionally, the Civil Service incorporated many types of employees, including the humble letter-carrier, a role that sat on an ambiguous boundary. At the turn of the century, Charles Booth described the postman as a ‘picked man’. Due to the physical and written exam required to gain his position, Booth surmised postmen

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70 At the end of the nineteenth century, the Society had 140,000 members, paying out nearly 4,000 pensions. Hannah, Inventing Retirement, p.6.
73 Thane, Old Age in English History, p.255.
74 BEA G15/587 Secretary’s files: Superannuation Fund 6 September 1897- 23 July 1941 (Information given to other companies etc.), p.2.
were probably intellectual superiors from the class they originated from even though their work was mechanical and monotonous.\textsuperscript{76}

Occupational pensions were growing over the course of the nineteenth century and, by 1900, they were a benefit accessible to approximately 5\% of the working population.\textsuperscript{77} It was a provision most readily available to clerks and, as a result, these white-collar workers are the particular focus of this thesis. Letter-carriers at the Post Office provide an exception in that they were a class of workers that was manual but also salaried: they provide a valuable insight into the management of the Civil Service superannuation, being an exception within the Civil Service. This study may not concentrate on the working classes, but there is much that can be taken from how historians have examined working-class welfare, a system of financial support that tended to rely on self-help through friendly and benefit societies.

**Friendly and Benefit Societies**

Amongst the nineteenth-century working classes, a pension was not a high priority. Sickness, injury or unemployment presented a much greater risk, and it was for these eventualities that workers were most likely to use friendly and benefit societies to save.\textsuperscript{78} As a result working-class savings and insurance were shaped by a culture and view of the world distinct from those of the middle class. Paul Johnson’s *Saving and Spending* takes its starting point as 1870 and examines the various methods used by many working-class people to save and manage their economic lives before the liberal reforms. Chapters on friendly societies, building societies and cooperatives explore the various methods used by the working classes to provide some financial security, attempts that were continually judged as indifferent and inadequate by middle-class critics due to differing priorities and opportunities between classes. For example, burial insurance was the most popular form of insurance amongst the working classes due to the social significance of a ‘good’ burial, however, it was persistently condemned for its ‘inefficiency and expense’ as a form of insurance by the middle classes.\textsuperscript{79} Furthermore, Johnson briefly explores why the Post Office life assurance scheme failed when other private firms were relatively successful, highlighting the social role of the house calls made by the life assurance agents, something

\textsuperscript{76} Ibid., p.14.
\textsuperscript{77} Hannah, *Inventing Retirement*, p.13.
\textsuperscript{78} Ibid., p.13.
the General Post Office (GPO) did not provide. Johnson’s work may not look at occupational pensions, but it is useful in demonstrating the culture surrounding financial practices for working people.

The importance of social ties and relationships tangled with social perceptions and notions of self-help come up repeatedly through the types of insurance and savings schemes that were successful for working people. This can also be seen in Penelope Ismay’s work on the Odd Fellows friendly society, an organisation that combined the traditional value of social relationships alongside the more modern emphasis on financial reliability and accountability through actuarial science. Ismay has illustrated how traditional and reformist values co-existed within the Odd Fellows Benevolent Society through the campaigning work of Charles Hardwick. Hardwick was an Odd Fellows member from Preston who became the Grand Master of the entire order, and though he was influenced by the growing importance of actuarial science, Hardwick was also a strong advocate for the benevolent nature of the Odd Fellows. He promoted the importance of sustaining the culture of mutual support and sociability within the work of the Society despite the apparent threat from this new science. Actuarial science and the life assurance industry were expanding in the nineteenth century and have been used as evidence of the success of a ‘bourgeois self-help ethic’ in the early Victorian period. Yet, even this most Smilesian of industries was reliant on personal relationships and emotional obligations. This is particularly true in the second half of the nineteenth century when the industry expanded further and became reliant on doorstep finance, a market defined by Liz McFall as ‘sentimental in their constitution’.

Notably, these features of working-class finance date back further than the late-nineteenth century setting of Johnson and Ismay’s work. E. P. Thompson discusses friendly societies’ role in the eighteenth century as having a ‘strictly local and self-governing character’, combining insurance with social activities and regulation, and producing fines

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80 Ibid., pp.32-39.
82 Ibid., pp.137-142.
85 McFall attributes the failure of government insurance schemes for their inability to make connections with people, partly due to lack of doorstep agent. McFall, *Devising Consumption*, pp.7 and 35-36.
for breaking certain rules. Thompson underlines the discipline that was required to maintain the friendly societies and the crystallised ethos of mutuality they advocated, aspects of social organisation that were carried through into the trade unions. This is markedly different to how many occupational pensions have been represented when their creation and management has been attributed to market forces and managing employees. However, this thesis aims to explore how old ideas of loyalty, trust and entitlement were maintained through occupational pension schemes. Hannah hints at this when he describes how motivations for occupational pensions were designed to create a ‘sense of mutual interest’—but this can be extended, especially when the historic links and parallels to the Civil List can be drawn.

Many friendly societies did not specifically cater for the retirement of the elderly and, as a result, much of the historiography has not focused on this area of provision. P. H. J. H. Gosden’s *The Friendly Societies in England 1815-1875*, for example, only engages with the topic when discussing the debates surrounding the introduction of old-age pensions. Johnson notes the alternatives to friendly societies including industrial life assurance companies and trade unions that provided provisions for sickness, unemployment, burial and in some cases old age. Nevertheless, Johnson argues that saving for retirement was simply not a priority for the poorest working families. Unemployment insurance or children’s education took precedent when allocating the few pence left at the end of the week, particularly when many did not believe they would live long enough to see old age. For the Civil Service clerical workers there was a similar belief that many would not live to receive a pension, but this was used by some as leverage to campaign for pension reform. The white-collared civil servant had a much clearer sense of entitlement as well as a larger wage.

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87 Ibid., p.462.
92 Johnson, *Saving and Spending*, pp.82-3.
93 In the 1840s, life expectancy tables were used to demonstrate how the government took superannuation contributions from workers, but they were very unlikely to receive a pension payment. This formed part of the argument for additional provisions for families. *Civil Service Gazette*, 1 January 1853, p.7.
It is worth noting that the psychological belief that members of the working classes had a short life expectancy is supported by average life expectancies for England and Wales in this period. On average a person was expected to live to 41.2 years between 1861 and 1870, rising to 46.1 years between 1891 and 1900. Life expectancy at birth may have been significantly lower than the state pension age of seventy or the Civil Service superannuation age of sixty, however Pat Thane has expressed caution when using life expectancy averages. Life expectancy at birth can be skewed by high infant mortality: Thane suggests that if a person survived childhood, they often had a good chance of living until old age, and women were likely to outlive men. Moreover, figures for the nineteenth century suggesting a historically low proportion of elderly people—from 10% in the eighteenth century to 7% a century later—was due to the high birth rate creating a greater proportion of young people within the population rather than a reduction of the elderly. There does not appear to be any statistical change that suggests people were living for longer or shorter periods of time in the nineteenth century. Consequently, the belief that many working people would not live to an old age is unfounded: many would have found themselves too old to work but in need of some support.

The work on benefit societies and working-class forms of welfare has emphasised the importance of traditional relationships, mutual aid and community as a framework for these forms of economic management and transactions. In contrast, occupational pensions have generally been presented as a provision for the middle and upper classes, used to prevent corruption and to save money. There has been very little interest in how working-class or lower middle-class employees received these types of payments, although they were growing in prominence towards the end of the nineteenth century. For example, in Lockwood’s analysis of class consciousness amongst clerical workers there is little engagement with the issue of occupational pensions in the nineteenth century. However, occupational pensions were based on relationships and social understandings and beliefs as much as benefit or friendly societies and other forms of saving or welfare. Frequently seen as a reflection of how the employee-employer relationship was defined and understood, any change to pension provision could lead to protests and employee...
agitation was fundamental in the shaping of the Civil Service superannuation. The importance of the role of workers and their social and cultural understanding of occupational pensions increased over the course of the nineteenth century as the numbers of lower-middle-class and working-class employees eligible for these pensions grew.

The Civil Service (particularly within the Post Office), the East India Company, the Bank of England and the railways employed hundreds of thousands of people by the turn of the century. The East India Company and the Bank of England were very closely linked to the government and had pension systems and traditions making them useful contemporary comparisons to the Post Office department of the Civil Service. The railways, though a new industry in the nineteenth century, very quickly became large and bureaucratic institutions with a large clerical workforce making them another useful comparison to the Post Office. Each institution had their own pension systems and a different relationship with the government and will therefore be the focus of individual case studies. Zelizer’s work on the meaning of economic transactions proposes an analysis from the top and the bottom as ‘economic actors simultaneously adopt universalizing modes and particularizing markers’. Where possible, insights into how the employees received and viewed their pensions have been taken but this can be a challenge where the dominant narrative of the employer is most likely to survive in printed sources. However, it is fortunate that the nineteenth century saw a number of literary figures and works emerge from the institutions under examination. Consequently, writers such as Anthony Trollope, former surveyor of the Post Office, Charles Lamb, clerk in the East India Company, Robert Browning, whose father was a clerk in the Bank of England and Ernest J. Simmons, a former station master for the Great Western Railway, have helped to broaden understanding of working for, and retiring from, these large organisations. Each chapter examines how these writers have given us insight into not only working life, but what a pension or superannuation meant for them and could mean for their contemporaries. Alongside interviews with parliamentary committees and newspaper reports the voices of more clerks and other workers can be heard. The record may not be extensive but it does demonstrate that even if a pension was part of regulation there could still be doubt about how and when it would be granted. Institutions were

98 Other financial institutions such as insurance companies or joint-stock banks may have offered useful comparisons, but owing to limited time and space I chose to focus on the largest bank with the strongest ties to government.
continually attempting to keep control of their pension systems, but this was not just about labour management; it was also an attempt to prevent the growth of a feeling of entitlement, one that could grow through the extension of bureaucracy. For workers, the value of pensions could be questioned as they frequently did not meet their perceived needs, but they were also the focus of agitation and a point of contention used to challenge their employers’ values and principles.

Given the size and history of these institutions it is worth taking some time to look at their histories, placing the role and influence of the government superannuation system in the context of their diverse organisational cultures. In addition, consideration of the archival materials that have survived from these organisations will shed light on the different approaches and challenges that shaped this thesis.

**The Post Office, Bank of England, East India Company and Railway pensions**

In November 1856 the British government’s Royal Commissioners newly charged with investigating the operation of the Civil Service Superannuation Act began to receive a number of letters. Many of these letters were from government departments detailing how they adhered to and applied the current superannuation regulation. However, three were from external companies giving details of their own pension provisions; this included the staff who were eligible, the criteria that were applied when calculating pensions and the number of funds operating as part of the provisions. These companies were the East India Company, the Bank of England and the London and North-Western Railway Company. The report itself did not give much reference to the evidence provided by these companies, but their inclusion amongst the hundreds of pages of evidence from within the Civil Service suggests an attempt to benchmark government policy with perceived similar organisations.

However, what stands out from the details sent from these companies was the influence that the government had exerted upon their pension provisions. The East India Company simply supplied a copy of the 1813 Charter Act that stipulated that pensions should be provided for employees, but the Bank of England and London and North-Western Railway gave more detailed accounts of their pension schemes.\(^{100}\) Both paid out pensions to employees who were over the age of 65 or too infirm to work, and the payments were based on length of service calculated from the salaries on a fraction of twelfths. This scale

\(^{100}\) PP 1857 [2216], pp.32-34.
was based on the Civil Service superannuation scheme established in 1810 and it continued with some variation until a different scale was introduced after the 1859 Superannuation Act, a direct result of the 1857 commission.101 The Bank of England even noted that their own system was based on the 4 &5 Will. 4. C.24 or 1824 Superannuation Act.102

By the mid-nineteenth century, the British government had clearly established itself as the leader in providing occupational pensions, but to say that these organisations simply replicated government policy or, as in the case of the East India Company, followed orders, is too simplistic. As separate institutions each had a unique relationship with the government; they also had different relationships with their employees. The historiographies of the Bank of England and East India Company are extensive and often reflect on the relationship between these institutions and the British government. Both have been seen as arms of the state, with the East India Company explicitly absorbed within the British government after the 1858 East India Government Act, the year after the Royal Commission on superannuation was published.103 The situation was more complex for the Bank of England: following the Charter Act of 1819 the debate over the Bank’s status as a private enterprise or national bank was ignited.104 This was a debate that continued to rage over the course of the nineteenth century with well-respected economists such as Walter Bagehot on the side of nationalisation and Bank of England officials such as Thomson Hankey opposed. Whether a formal affiliation existed or not, the two institutions were similar to the British government as employers with large numbers of staff often spread over large areas.105 Railways were also large institutions with employees in numerous locations and constantly on the move. However, the railway industry provides a valuable contrast to the East India Company and Bank of England as the railways were not seen to be a government-linked institution. There were many railway companies each with its own style and relationship with government. Nonetheless, all companies had to get parliamentary approval through an Act of Parliament to establish a superannuation scheme. Their unique positions and their

101 Ibid., p.v.
102 Ibid., p.33.
103 The East India Company’s monopoly was removed in 1813, Further control was taken in 1834 as the Company then started acting as agent for the British government.
105 This is true for the Bank of England from 1826 when county branches began to open.
relationships with the government make the East India Company, the Bank of England and the railway companies all interesting points of comparison to the Civil Service. Yet, the Civil Service was a large organisation, and it is vital to focus in on the largest and most diverse department for closer analysis.

The Post Office is an important Civil Service department with which to draw a comparison since by the end of the nineteenth century it employed the largest number of civil servants in the greatest variety of roles. The history of the department has also resulted in its archive being held separately from other Civil Service departments within its own dedicated institution, the Postal Museum (formerly the British Postal Museum and Archive).\(^\text{106}\) Part of the department’s archive is a series of letters to and from the Treasury.\(^\text{107}\) Within these files are the hundreds of applications from postal workers to the Treasury for a pension. Following the 1859 Superannuation Act the number of pension applications rose significantly. In 1841 there were twenty-three applications for a pension; twenty years later in 1861 the number of applications had increased over 700% to 180.\(^\text{108}\) This increase could be attributed to the substantial growth of the Post Office throughout the nineteenth century. A parliamentary return from 1834 numbered 207 staff members in the General Post Office, London. By 1845, this had increased to 459; and by the time of the first Postmaster General’s report in 1854 there were approximately 2,500 staff in the Chief Office in London.\(^\text{109}\) The London office possibly presents an extreme example of the growth of the department, but the type of people applying for pensions and how they were applying are notable. In 1841, applications for a pension were in the form of a letter from the Post Office’s secretary, occasionally with a letter from the applicant stating their case. They also often had a connection to the Post Office’s maritime business through packet ships and were more frequently appeals from officers’ widows. By 1861 a form had been developed with dedicated sections to enable the Treasury to

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\(^\text{106}\) It is quite possible that, whereas the pension applications survive for the Post Office, they do not for other departments. They sit within large bound volumes of letters to the Treasury, and have become one of the most frequently used record types due to the popularity of family history, giving them added importance within the Postal Museum.

\(^\text{107}\) The series is called POST 1.


\(^\text{109}\) 1834 [20] Post Office establishments in London, Dublin, and Edinburgh; PP 1845 [72] Post Office. Return of all persons employed in the General Post Office in London and in Dublin; with the date of each appointment, nature of the duties, amount of salary, and fund from which each salary is paid. These figures also exclude the employees given for the London District Post Office as opposed to the General London Post Office; PP 1854-55 [1913] First report of the Postmaster General, on the Post Office, p.20.
assess the application properly under the strict criteria. Applications were also being made on behalf of all staff members including the lowest paid letter-carriers and mail guards.

These applications, and the Treasury’s responses, hold a vast amount of detail. They were relatively unchanged between 1860 and 1891 and contain information relating to work history, reason for retiring, number of days taken on sick leave or holiday, as well as a supporting statement from the secretary of the Post Office. This statement could be a standard set phrase ensuring the employee met the requirement of the Superannuation Act, that they had worked with diligence and fidelity, but it could also include more personalised information, ranging from a previous accident at work to indiscretions that were punished. It was designed to give a sense of character. These applications were the starting point for my doctoral research: in order to analyse them, I created a database was created of applications from the years 1841, 1861 and 1891, consisting of 669 records. Not all Treasury responses have survived but from those that have, it is evident that the secretary’s statement could have a significant impact on the pension received. This will be explored in more detail later, but the applications and database were extremely useful in giving a sense of how pensions were allocated in practice, outside of formal policy. Combined with other records held at the Postal Museum, such as instruction manuals and internal reports of superannuation funds or recruitment, a broader picture of policy and action can be determined. The Post Office was very good at saving various reports, but the House of Commons Parliamentary Papers archives has been most useful in obtaining the annual Postmaster General reports that detailed any changes and developments in the service, as well as the numerous returns and reports focused on the Post Office and comparative institutions.

The pension applications are a mine of information both on individuals and the management of employees. They have been used predominantly by family historians who, equipped with an estimated retirement date (based on their relative’s age), can use the Treasury letters index to find an individual application and with it a wealth of information on their career history. The vast amount of material contained in these documents reveal numerous possibilities for historical research.\footnote{As an example of further research based on the pension application records see K. McIlvenna, ‘“The Widows and Orphans of Servants are Dying”: The Place of the Family in the Design and Application of Nineteenth Century Civil Servant Pensions’, in S. King, C. Beardmore and C. Dobbing (eds), Family Life in Britain, 1650-1910 (Palgrave, 2019, forthcoming); K. McIlvenna, D. Brown and D. R. Green, ‘“The Natural Foundation of Perfect Efficiency”: Medical Services and the Victorian Post Office’, Social History of Medicine (2019, forthcoming); and D. R. Green, D. Brown and K. McIlvenna, ‘Addressing Ill
thesis aimed to answer the simple question of why these records existed at all—why had these occupational pensions been created and what did they mean to the Post Office employees?

Occupational pensions are mentioned in the histories of the Post Office: they are referred to as part of the wages and benefits awarded to Post Office employees. Alan Clinton argues that the pensions were valued by employees: ‘in context of the nineteenth-century labour market the uniform, the medical facilities and the pensions helped to create the stability and discipline necessary for the laborious and repetitive tasks that kept together a system whose like have never been seen since’.111 This is supported by Campbell-Smith who lists the 1859 Superannuation Act as adding to ‘a range of privileges scarcely available to the working man anywhere else in the economy’.112 Occupational pensions may have been a rare benefit outside the Civil Service, the financial sector and the railways in the nineteenth century but, as the work of Martin Daunton has shown, this did not mean all employees were grateful for them. In the early 1870s, a demand for higher wages by employees in Manchester, Liverpool and Birmingham was rejected by the Treasury ‘which felt “that the forfeiture of Pensions may be relied on to prevent a strike” ’; however, the Treasury was wrong and strikes followed in Warrington and Huddersfield.113 Pensions were a percentage of the wage; they started at a rate of a sixth (or ten sixtieths) of retiring pay up to a maximum of forty-sixtieths and, if retiring due to ill-health before the completion of ten years’ service, a gratuity of one month’s pay for each year of service was paid.114 As a town postman’s wage, in 1890, could range from 18s to 34s a week, this would have left many postmen in Booth’s bracket of poor or very poor.115 These pensions may have been a privilege, but it is important to ask what impact, if any, they had on the lives of the recipients.

Civil servants campaigned over decades for changes to the Civil Service superannuation system. Industry publications—notably The Civil Service Gazette and The Post—championed the campaign, providing editorials and reprinting petitions and other

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114 Ibid., p.246.
115 Wages from C. Booth, Life and Labour of the People in London, p.20; Booth’s definitions are explained in Boyer, ‘Living Standards’, p.299.
campaign details. The voices of civil servants could also be heard through pamphlets and in the witness testimonies given to the numerous Select Committees and Royal Commissions. For a group of employees without formal unions, they were extremely vocal about their grievances, giving a detailed picture of objections to the superannuation system. However, the voices of the women who worked in the Civil Service and Post Office and their opinions on the pension system have been more difficult to pin down and this is an area that requires further research. For the purposes of this doctoral research, the pension application records have been the main source for understanding how women interacted with the Civil Service superannuation.

Like the Civil Service, employment at the Bank of England and the East India Company has been portrayed as attractive: the pay was good and came with benefits such as a pension. However, recruitment was strictly through patronage and the work could be dull.116 Promotion and movement between departments was uncommon and often depended on the death or departure of senior colleagues.117 Bowen makes excellent use of Charles Lamb’s correspondence and diaries to produce a picture of life in East India House: through Lamb we see a culture of habit and institutionalisation, but also long hours and hard work.118 Margaret Makepeace has studied the working lives of the East India Company’s warehouse labourers and the benefits that were offered to them. Company labourers could rely on a more regular wage and fixed working hours when there was work to do, and from 1799 there was the possibility of joining a benefit scheme that paid men 1s a day when there was no work.119 However, even with over 3,000 labourers in employment, the system of patronage was not enough to ensure the quality of workers and Company warehouse surgeons were employed to examine nominated men.120 The lower orders within the Bank of England have not received such close study, though both Acres and Giuseppi do refer to the porters at the Bank.121 These staff members give us a different perspective of the Bank of England as an employer. From

116 It is beyond the scope of this study, but it has been pointed out that the East India Company and the Bank of England shared directors over time, although they were not permitted to hold the two positions at the same time. John Harrison, Henry Plant and William Snell were all directors at the Company and later became director at the Bank of England. This sharing of directors may have led to familial or business relationships between the two institutions. H. V. Bowen, The Business of Empire: The East India Company and Imperial Britain 1756-1833 (Cambridge, 2006), p.128.
117 Ibid., p.141.
118 Ibid.
120 Ibid., p.40 & p.51.
1697, porters were the only uniformed members of staff and in the eighteenth century the Gate Porter lived at the Bank alongside some of the Chief Officers, a space they also shared with the armed night watchmen.\textsuperscript{122} Although the day-to-day working lives of the lower-order employees were different to their better paid colleagues, their positions are still portrayed as desirable and they also had access to benefits such as pensions. Bank of England porters were not always subject to the pension frameworks for clerks; Acres has demonstrated that the directors were sometimes reluctant to retire those under 70 years of age, even if physically unable to continue their duty.\textsuperscript{123} Similarly, labourers in the East India Company did not have a formal pension system, but were able to claim them, though Makepeace suggests that pensions were granted on a case-by-case basis and never for age alone.\textsuperscript{124}

The dominant narrative with regard to the welfare of staff at the Bank of England and East India Company is one of paternalism. Funds were established and payments would be given to employees and these were unusual for their time: as Makepeace notes, the East India Company and the Bank of England were some ‘of the earliest institutions in England to introduce occupational pensions’.\textsuperscript{125} These pensions have been perceived as a generous perk of the job, but they were always at the discretion of the higher management. Some of the payments may appear to have been generous—a reward for long and loyal service—but, until formalised systems were installed, it was clear these rewards could not be expected. By the 1857 report on the Superannuation Act, both the Bank of England and the East India Company had some form of pension system in place. However, unlike the Civil Service, there was no formal method of applying for a pension and, as a result, a comparative database of individuals could not be built. The East India Company had formalised their superannuation system in the 1813 Charter Act.\textsuperscript{126} The records of the East India Company, held at the British Library, contain various ledgers related to pensions paid and decision books that noted any policy change for certain departments.\textsuperscript{127} Decisions related to individual grants of pensions could be referred to in the minutes of the Court of Directors, or the Finance and Home Committee, but this was not uniform or

\textsuperscript{122} Giuseppi, \textit{The Bank of England}, p.34.
\textsuperscript{124} Makepeace, \textit{The East India Company’s London Workers}, pp.72-73.
\textsuperscript{125} Ibid., p.72.
\textsuperscript{126} PP 1857 [2216], p.32.
\textsuperscript{127} For example, see British Library IOR/L/AG/35/24 Labourers pensions ledger or BL IOR/L/AG/12 Home Establishment.
necessarily detailed. To date, no consistent information on individuals receiving or applying for pensions have been found. Consequently, the best source for details about how the East India Company developed a superannuation and pension policy resides in the House of Commons Parliamentary Papers in the form of returns, reports or Hansard transcription. As a result the analysis of the Company’s pensions are very top-down, with only Charles Lamb’s account offering some insight to how employees interacted with the system.

The Bank of England did not have a formalised pension system until 1870: this moment was marked by an internal report outlining the reasons for adopting this policy and aligning it with the Bank’s recruitment strategy. Before this date, it supported employees and employees’ widows and orphans through a number of funds that had origins in the eighteenth century. As with the East India Company, no applications have survived in the archives, but the Bank did record details of individual cases within the minutes of the Court of Directors and the Committee of the Treasury. Two ledgers were also created listing the Bank’s pensioners between 1735 and 1829, as well as between 1800 and 1852. Though lacking the level of detail in the applications found in the Post Office archives, these lists have been useful in establishing the variety of ways pensioned employees were categorised by the Bank, also providing a list that could be cross-referenced with the Court of Directors’ minutes. As these sources suggest, the Bank dealt with pensions internally and there was little or no interaction with government or other institutions The years surrounding the Bank Charter Acts may have coincided with changes in staff management and welfare but they were not directly linked and these periods appear to mark times of reconsideration and change for the Bank. Later changes in the 1850s also coincided with times of protest and analysis of government superannuation systems. However, the influence of the British government may have

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128 See BL IOR/B for the minutes of the Court of Directors and BL IOR/L/F for the Finance and Home Committee.
131 BEA G4 for the Court of Directors’ Minute Books and BEA G8 for the Committee of Treasury Minute Book.
132 BEA E46/1 Pensions: List of Staff Receiving Pensions and BEA E46/2 Pensions: List of Staff.
134 The Bank Provident Society was introduced in 1854, a year after the Civil Service Gazette was first published, leading with a campaign to change civil servant superannuation schemes.
been limited as a comprehensive Superannuation Act was passed in 1859, but it would not be replicated by the Bank of England until 1870.

For the railway companies, the provision of pensions was diverse, with a mix of contribution funds and funds provided by the employer as well as employees. The 1859 Superannuation Act was an attempt by the British government to remove anomalies but, as a 1910 Board of Trade report into railway superannuation schemes demonstrates, many private companies operated a range of systems and funds to provide support in retirement. One of the earliest private companies to make superannuation provision was the Chartered Gas Light and Coke Company which started a compulsory contributory fund in 1841. However, the complexity of creating this type of fund was quickly proven as it was abolished in 1851; the reason for its abolition is hinted at with the subsequent proposal to start new fund, to which subscription would not be compulsory. The 1910 Board of Trade report on railway superannuation schemes is extremely useful for gaining a sense of the variety and divergence of railway superannuation funds in regards to contributions, scale of welfare and other regulations. There were so many types of scheme attached to the railway companies that the committee decided to define carefully the funds they wanted to examine: these were the funds where the cost was ‘only in part’ borne by the members, with the ‘balance of the cost being met in one way or another by the railway companies’. As a result of their enquiry they found thirty-two funds fitting this definition, of which fifteen had been established for the officers and salaried staff, and the remaining seventeen for the waged staff. The Board of Trade had tasked the committee with investigating whether it was possible to merge the schemes; it concluded this was not possible due to the schemes’ complexity. The evidence in the committee’s minutes has been particularly useful in understanding, in the context of this doctoral research, how the railway employees and unions viewed the various provisions.

135 PP 1910 [5349] Departmental Committee on Railway Superannuation Funds. Report of the Committee appointed by the Board of Trade to inquire into the constitution, rules, administration and financial position of the superannuation and similar funds of railway companies.
136 London Metropolitan Archives B/NTG/2051Papers for meeting of Chartered Gas Light and Coke Company’s Court of Director on abolition of the Superannuation Fund, 12 December 1851.
137 Ibid.
138 PP 1911 [5484], Departmental Committee on Railway Superannuation Funds. Minutes of evidence taken before the committee appointed by the Board of Trade to inquire into the constitution, rules, administration, and financial position of the superannuation and similar funds of railway companies, with appendices and index, p.1.
139 Ibid., p.2.
Disagreement has tended to be the focus in the historiography of railway pensions, partly due to a dominance of interest in the railway unions and their activities and partly due to the compulsory nature of most of the funds. This tension can be seen in the evidence given by Ludlow during the 1892 Royal Commission on Labour, which cited compulsory membership of the railway societies as one of the chief causes of friction between the employer and the employees: “the men chafe very much under than obligation” 140. As a result, railway superannuation funds have been described as part of the ‘new form of social contract’, simply a mechanism to ‘bind the railwaymen more closely to the service of the companies’.141 Nonetheless, as the 1910 report into railway superannuation schemes established, railway workers did want and expect superannuation and they were willing to pay for it.142

The London North-Western Railway Company and Railway Clearing House pension schemes are central to the present study: the London North-Western was the first railway company with a formal superannuation system and the Railway Clearing House provided the first scheme application to all railway companies. The records for both organisations are kept at the National Archives and—in addition to the miscellaneous files related to superannuation systems, including correspondence, proposed schemes and meeting minutes—the minute books for the Railway Clearing House Committee and the London and North-Western Superannuation Committee were extremely useful.143 Once again, individual applications were absent, though the London and North-Western Superannuation Fund Committee minute book included some details of some individual cases; on the whole, documents held by the companies were better on policy and the development of the schemes. Unlike the Post Office and East India Company, there were few parliamentary returns with details on pensions; however, there was government interest and so Hansard, alongside the 1910 report, provides useful context. The archives related to the railways are vast: it is very likely that it will be possible to locate richer, more detailed information on individuals in a more expansive future research project, perhaps focusing on different railway companies.

140 Russell, Occupational Welfare, p.44.
142 PP 1911 [5484], p.22 Evidence of Alexander George Walkden.
143 See RAIL 1008/66 for proposals of different superannuation systems within the Railway Clearing House. RAIL 1008/3 is an example of the Railway Clearing House Minute Book and RAIL 1174/84 for London North-Western Superannuation Fund Committee Minute Book.
The Civil Service superannuation had a mixed impact on these separate organisations. It was often the point of reference when developing a scheme, inspiring a scale, or even the principle of basing a pension on salary rather than contributions. However, the differences are important too. The Civil Service was an old institution with traditions and mechanisms that were partially reflected in some institutions such as the East India Company, but totally opposed to practices in more modern companies such as the railways. This thesis illuminates these similarities and differences, illustrating how the attitudes and characters of institutions could reflect views and cultural beliefs surrounding pensions.

**Structure of the Thesis**

The historiography of the social and cultural context for pensions and employee welfare in the nineteenth century has been set out. This has included consideration of a number of organisations that offered occupational pensions at different points in the nineteenth century. The Civil Service provides a useful measuring stick against which to assess other organisations since it was one of the first to provide a comprehensive and structured occupational pension that also had far reaching consequences. The first chapter examines the most important piece of legislation related to the Civil Service superannuation—the 1859 Superannuation Act. It asks how the government came to decide on a non-contributory pension system and how this sits within the framework of cultural understanding of pension provisions in the first half of the nineteenth century. It argues that this was attempting to satisfy two conflicting employment cultures: the first was the traditional government relationship with employees, based on loyalty and position; the other was the more radical idea that saw the dismantling of the Civil List and elements of ‘Old Corruption’, one that focused on efficiency and thrift in government. Through a non-contributory pension the government could meet both ideals, maintaining the privileges of a government position whilst meeting popular demands for economic reform by limiting who could receive it and how much they could receive.

Chapter 2 turns to the East India Company, examining the impact of the changes and debates regarding superannuation on a government-linked commercial body. The chapter sets out the historical context for pensions within the East India Company and discusses how the implementation of a superannuation scheme through the 1813 Charter Act came about. It argues that through this Act the government was not only using another mechanism to assert its control over the Company but was also sharing its own cost-effective measures for public benefit. However, despite the legal obligation to use the
new superannuation scheme for employees, the Company still maintained its ad hoc pension system, consequently maintaining two parallel means of remunerating those it considered suitable to receive a pension. The superannuation scheme fitted the government needs but did not completely satisfy those of the Company. Furthermore, the writing of Charles Lamb makes it possible to examine how the superannuation scheme was used in practice and how it was received by employees.

By focusing on the Post Office in the third chapter, the thesis considers the impact pensions had on the cross-section of postal employees, suggesting that, although the 1859 Superannuation Act was designed to help the lower-class employees as well as the higher-class officials, it was essentially inadequate in its attempt to meet the needs of all employees. Nevertheless, the pensions did provide an element of prestige that was valued by the employees; and, although they may have been financially inadequate, the pensions provided an identity in retirement that would not have been possible otherwise.

The next two chapters, 4 and 5, examine organisations that enjoyed some autonomy from the state. The Bank of England, though closely tied to the government, showed little attempt to replicate how the government operated, being confident in its own systems. The Bank prided itself on its paternalism but these were highly discretionary systems: although pensions were available, the Bank ensured workers did not feel they could apply easily, leaving many working into old age. Finally, the London and North-Western Railway and Railway Clearing House superannuation schemes are used to demonstrate how these ideas filtered into private companies in the second half of the nineteenth century. It is argued that these companies sat in a difficult position, attempting to adhere to the growing expectations of the clerking classes by following the example set by the government whilst also competing with each other. The Railway Clearing House is examined as the only institution to attempt a superannuation scheme that could be joined by all railway company employees. In addition, with a workforce permitted to organise and protest, railway companies could be quickly informed when these provisions were not adequate and, as the 1910 Board of Trade committee demonstrated, negotiations could leave both employees and employers dissatisfied.

The final chapter considers the re-emergence of civil servant-led campaigning in the last quarter of the nineteenth century. It examines how Civil Service superannuation was defined by campaigners and the government and how ideas about deferred pay were significant, particularly for the families of civil servants. The 1903 Royal Commission
(the Courtney Commission), attempted to end the debates surrounding superannuation and were careful to define it as a contractual benefit—not deferred pay, but something earned through service. Nevertheless, changes were suggested to consider family and provide payment to them in the event of a civil servant’s death. It is argued that this debate at the end of the century was a power struggle for ownership over the civil servant pension and, although concessions were made, the Treasury still maintained a grip on this occupational benefit.
Chapter 1:

From Civil List to Civil Service Superannuation

The 1859 Superannuation Act

‘...it is every day becoming more clearly understood, that the function of Government is negative and restrictive, rather than positive and active; being resolvable principally into protection—protection of life, liberty and property. Hence the chief “reforms” of the last fifty years have consisted mainly in abolitions and disenactments. But there is no power of law that can make the idle man industrious, the thriftless provident, or the drunken sober...’

Samuel Smiles, Self Help, 1859

‘Supposing an assiduous and devoted public servant who has spent the best part of his life in the service of the State, to become suddenly incapacitated by disease or bodily infirmity, public opinion would not allow that such a man should be permitted to starve. Although the want of any provision may be attributable to his own improvidence, this would not be considered as exonerating the Government from making some special provision for him.’

Report of Commissioners On the Superannuation Act, 1857

Samuel Smiles’ 1859 publication Self Help has become the archetypal example of the Victorian myth of self-improvement and social mobility without assistance from the state. It promoted a vision of ‘middle-class utopianism’, born out of the radicalism of the 1830s and 1840s that opposed ‘Old Corruption’ and championed self-education. The emphasis was on the

1 1857 Session 2 [2216] Report of Commissioners Appointed to Inquire into the Operation of the Superannuation Act, p.xi that led to the 1859 Superannuation Act.
individual and their achievements. However, in the same year this book was published, a law was passed that appeared to oppose the ideals of the *Self Help*. The Superannuation Act, passed in April 1859 and maintained well into the twentieth century, established a pension scheme for all civil servants with a scale of payment that increased with every year in service, after ten years, and, crucially, removed employee contributions. Civil servants would earn their retirement through loyalty and long service, not through any contributory scheme and not based on any actuarial calculations. This was not a new idea. The first Superannuation Act had been passed in 1810, and just as Smiles’ ideology had its origins in early nineteenth-century radicalism, the Superannuation Act had its origins in the financial relationships based on loyalty and prestige more clearly associated with the Civil List. Smilesian codes and methods were undoubtedly influential and can be seen in the rise of life insurance as well as the superannuation schemes developed in private industry such as the railways. However, through the Civil Service example we see the persistence of an alternative approach to welfare. The formalised system moved pension payments away from the discretionary gift of the Civil List in an attempt to create an efficient, trustworthy Civil Service. However, as the report into the government superannuation in 1857 suggests, a quotation from which appears above, there was an expectation of compensation through superannuation. The Civil List was portrayed as a way to repay loyalty and service that had been corrupted; the superannuation maintained the ability to reward servants financially after a long service through a legitimate, regulated system, but the ideological basis of the payments continued.

A formalised system of superannuation for civil servants had first been established through an Act of Parliament in 1810. As part of the reform movement aimed to remove forms of ‘Old Corruption’ such as sinecures, the first superannuation scheme introduced scales of payment and, although not based on actuarial calculations, it did not initially involve contributions from civil servants towards a central fund. In the next twenty years the civil service superannuation scheme underwent several reforms and alterations, with employee contributions often becoming the focus. For two years from 1822, and then again in 1829, a contributory scheme

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4 22 & 23 Vict. c. 26 Superannuation Act 1859.
6 There were Acts passed in 1822, 1824 and 1834, Treasury Minutes in 1821, and 1829 and a select committee report in 1828 listed in the PP 1857 Session 2 [2216], p.v.
was established but, from the 1840s, when the first employees would have begun to retire under the conditions of this scheme, an ardent campaign from civil servants emerged, calling for change and the removal of contributions. A Select Committee in 1856 and a Royal Commission in 1857 followed and a new superannuation scheme for all Civil Service employees was established. This chapter examines the ideas behind the 1859 Superannuation Act and the campaigns that led to its creation in the context of attempts to move towards a reformed and more efficient government machine.

It also highlights the continuity of attitudes that saw the use of pensions and superannuation schemes as a way of ensuring loyalty and longevity of service. First, it considers the use and application of pensions in the eighteenth century through the Civil List and other methods, evaluating how these were handled in the first half of the nineteenth century. The chapter then concentrates on the 1859 Act, its origins and aims, demonstrating aspects similar to those of the Civil List that focus on loyalty, negotiation and service. The role of actuarial science will also be examined: as a rising field of scientific analysis it began to play a larger role in many industries and within government; however, for Civil Service superannuation, its role was secondary to that of achieving the conditions desired by government for their employees’ retirement provision.

**Establishing a Superannuation**

In the eighteenth century, the most common way for civil servants to receive a payment in retirement was through the Civil List, which was also known as the Pension List. There were separate lists for England, Ireland and Scotland and they contained the names of people favoured by the monarch who were granted an allowance that could be passed on to family members after their death. It was considered to be a way of rewarding loyalty or gaining influence. The system of remuneration had a long tradition stretching back to the medieval period: Sir Norman Chester described it as being part of ‘distinctly pre-modern modes of thought’.8 The independence of these positions was installed through the ideas of property, positions could be sold or deputised as the holder felt fit, and in addition to their salary they could also charge a number of fees.9 Fees were normally in return for a service performed in the capacity of that office; they gave the holder the ability to employ others and—importantly for the present topic—retire. As Chester puts it:

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‘The holder still needed an income in his old age and if he had given the main years of his life in faithful public service it was considered just that he should continue to be provided with the wherewithal on which to live, and where necessary, make provision for his family.’

Along with sinecures, reversions, useless posts and granting of contracts to allies, the Civil Lists came to be seen as part of ‘Old Corruption’, a distinctive feature of government that was becoming less acceptable. By the end of the eighteenth and beginning of the nineteenth century, radicals such as William Cobbett started campaigning against these distinctive and reprehensible features of government, targeting ‘Old Corruption’ and its characteristics such as the Civil List and the idea that positions were property. The annual publication of the Civil Lists was used by pamphlets (such as George Kearsly’s *Thoughts, English and Irish, on the Pension-List of Ireland*, and John Wade’s *Black Book*) as evidence of abuse. Kearsly’s pamphlet looks specifically at the Irish Civil List calling it a ‘heterogeneous catalogue of English, Dutch, French, German, Scotch and Irish names’, suggesting that many of the recipients were not based in Ireland; to underline the burden of the cost of the pension he describes the money as being squeezed ‘out of the bogs, or extracted chymically from potatoes of that unfortunate country’. Wade was critical of all the ‘irregular’ emoluments given by the government, including the Civil Lists, and although Philip Harling is sceptical of his calculations, seeing them as ‘exaggerated and misleading’, Wade promoted a view that nothing but the total abolition of these practices would do. Support was gained from gentlemen landowners and radicals such as Admiral Cochrane, who believed that the war against France was right, but that it was hindered by financial mis-management. Cochrane argued that:

‘wartime financial and administrative practices were not only bleeding taxpayers dry, but actually hurting the war effort itself, by wasting much public money on greedy political insiders, and converting many of the peoples ostensible representatives in the Commons into the pawns of the government.’

Cochrane had enjoyed successes during the French Revolutionary war; he blamed the lack of British military success on a system of corruption, singling out individuals such as Lord Arden

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10 Ibid., p.18.
13 Ibid., pp.3 and 12.
15 Ibid., p.102.
whose sinecure, he claimed, was worth as much as compensation pensions for 1,022 Captains’ arms or 488 pair of Lieutenants’ legs.\textsuperscript{16} The arguments against these payments were not just about class or taxpayers, but emotive ones concerning national pride and winning the war against France. Unsurprisingly, it was the argument for a more efficient war machine that made the Pitt ministries start to consider reform.\textsuperscript{17} Harling attributes the 1807 Committee on Public Expenditure to a shift in the elite’s attitude towards the use of public office, and the period between 1806 and 1815 saw the gradual reforms of sinecures, reversions and pensions.\textsuperscript{18} The Tory ministries combined the English, Scottish and Irish Civil Lists and put restrictions on the maximum amount that could be paid. Similar to the restrictions put on to the sinecures and reversions, they could no longer be passed on to family members upon death.

Yet, through the arguments in favour of sustaining aspects of the Civil List, it is clear that, for many in government, the List alongside sinecures and reversions was seen to perform an important social function. These features of ‘Old Corruption’ were not only used to secure power and influence for the propertied classes, but a mechanism to reward loyalty and help support those who had fallen on hard times, without humiliating them. This function was deemed so important that part of the reason the Perceval ministries initiated the 1810 Committee on Public Expenditure was to defend sinecures on this principle.\textsuperscript{19} Nevertheless, an alternative solution was provided through the Superannuation Act of 1810. Harling sees this as significant in that it solved two problems: it stopped the older, fragile workers from having to work until they died, freeing up roles for younger, energetic officers; and it also made the role of other ‘irregular’ emoluments untenable.\textsuperscript{20} However, despite the changes of 1810, criticism of the Civil List persisted as, in many ways, the principles instilled within the Civil List had been defended through the reform. The radical newspaper \textit{Cobbett’s Weekly Political Register} regularly listed the recipients of pensions and grants: in 1817, the newspaper adamantly protested that it had ‘not included here one single person, who has any pretension to public merit of any kind whatsoever’.\textsuperscript{21}

The desire not to provide a crutch for people who should be capable of self-help can be seen in the arguments surrounding reforms of the government pension or superannuation schemes in

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\textsuperscript{17} Harling, \textit{Waning of ‘Old Corruption’}, p.107.

\textsuperscript{18} Ibid., p.108.

\textsuperscript{19} Ibid., p.110.

\textsuperscript{20} Harling, \textit{Waning of ‘Old Corruption’}, pp.118-119.

\textsuperscript{21} \textit{Cobbett’s Weekly Political Register} (London), Issue 22, 30 August 1817.
the first half of the nineteenth century. Reforms in the 1820s and 1830s sought to adjust the misconception that an Act passed in 1810 gave officers an absolute right to a pension. The 1828 Select Committee was particularly concerned that the Superannuation Act ‘assumed the character of a right rather than of an application for a favour, and they could not be resisted by the executive authority, except upon the ground of positive demerit’.22 The committee clearly felt that pensions should be considered on a case-by-case basis and consequently they suggested the adoption of stricter medical conditions that included the need to provide a medical certificate, and also that the Treasury’s discretionary powers should be exercised.23

Pensions were a contentious issue with many negative connotations in the first half of the nineteenth century. Through the Civil List the idea of a payment or support from government in old age or ill-health was seen as burdening society. These ideas fed into other uses of the word pension, related to the workhouse and charity, but they also impacted upon the development of government superannuation.24 Employee contributions remained central to how these pensions were defined by government with clear confusion over whether employees should financially contribute to the scheme in a similar way to principles seen in friendly societies. However, by the 1850s there was growing concern surrounding the Civil Service superannuation scheme and protests led to a Royal Commission which investigated the issue. The next section will look at these protests and the inquiries into superannuation more closely.

Campaign for change to Civil Service Superannuation

On 26 March 1844, an exchange between Sir George Staunton, MP for Portsmouth, and the Prime Minister, Sir Robert Peel, was to spark a civil-servant campaign that would eventually lead to the 1859 Superannuation Act. Staunton appealed to Parliament to provide a pension for the female relatives of the Revd Dr Robert Morrison and his eldest son John Robert Morrison, two men who had ‘rendered eminent public services’ in China and had died in service.25

23 Ibid., p.13.
24 The negative use of the word ‘pension’ can be seen in nineteenth-century pamphlets: for example in 1823 the Revd C. D. Brereton went even further, describing a ‘system of pensions’ through the provision of ‘flour money’ to a number of labourers in his parish. See C. D. Brereton, A Practical Inquiry into the Number, Means of Employment, and Wages, of Agricultural Labourers (Norwich, 1823), p.6. A 1828 pamphlet described prisoners and people in poor houses as ‘pensioners on the public bounty’: see Anon., Use of the Dead to the Living (London, 1828), pp.51-52.
appeal listed the extraordinary achievements and merits of both men including the value their
negotiations and translations had brought the British government. He concluded:

‘These two individuals had performed eminent services, had sacrificed their lives in the cause of
their country. Their family, therefore, it appeared to him [Staunton] that they had a most powerful
claim upon Parliament’ … ‘although not in a state of destitution, he considered that their means
were totally inadequate to maintain them in the station which they ought to occupy in the
country’.  

This call for support was not an appeal to the sympathies of Parliament for a poor and destitute
widow but it was based on the sacrifice and work of the men in public service. Sir Robert Peel
was quick to respond and, although he acknowledged the remarkable high character of both
men, he clearly set out that ‘Parliament had allotted no means of making provision for their
widows or female relations’. He continued that ‘the principle held was that it was their duty,
out of those [liberal] salaries, to make provision for their widows or relatives’. Peel’s position
may appear to have been clear as the matter was quickly dropped. However, his rebuttal was
not strong enough and some interpreted Peel’s argument as projecting regret that the
government made no provision for the widows and orphans of public servants, in contrast to
the policy towards military families.  

The expectation that civil servants should make provision out of their salaries for their families
through private insurance provoked anger amongst many, because they were already paying
proportions of their salary to the government. Since a Treasury Minute of 1829 and subsequent
Act of Parliament in 1834, many civil servants appointed after 1829 were expected to pay
towards their superannuation through a deduction from their salary. The system that resulted
saw a variety of provisions in place. Those employed prior to 1829 did not pay deductions and

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26 Revd Dr Robert Morrison had gone to China as a missionary but was later employed by the East India
Company, transferring to the Crown as Chinese secretary when the Company’s Charter had expired. He worked
as an interpreter and negotiator but he also authored a voluminous Chinese and English dictionary, as well as
translations of the New Testament into Chinese. John Robert Morrison took up his father’s role as Chinese
secretary after his death and was considered to have an important role in the Treaty of Nanking (1842), which
ended the first opium war, due to his knowledge and understanding of the Chinese language and people. See R.
Douglas, ‘Morrison, Robert (1782–1834)’, Oxford Dictionary of National Biography,
Deb, 26 March 1844, vol. 73, cc1574-87.
27 HC Deb, 26 March 1844, vol. 73, cc1574-87.
28 Ibid. c.1582.
29 Ibid.
30 PP 1856 [337] Report from the Select Committee on Civil Service Superannuation, together with the
proceedings of the committee, minutes of evidence, appendix and index, p.78.
could look forward to a superannuation; those employed after 1829 could face a deduction from their salary of 2.5% when earning up to £100 a year, and 5% thereafter, though a few classes could claim a pension without suffering deductions (including London letter-carriers and mail guards in the Post Office, as well as Lords of the Chancery). In addition, the introduction of income tax in 1842 could see a further deduction to salaries. Consequently, in 1846, a Committee of civil servants was formed to campaign for the reform of the Superannuation Fund.\textsuperscript{31} Richard Madox Bromley, a civil servant in the Admiralty, was appointed chairman and the membership included representatives from thirty government departments.\textsuperscript{32}

Through Bromley the committee had a formidable and efficient chairman. Bromley had joined the Admiralty in 1829 and was quickly acknowledged for his financial skills and efficiency. The same year in which he became chairman of the civil servants’ committee, he was appointed by Lord Auckland to investigate the economic management of dockyards and shortly afterwards he was named as accountant to the Burgoyne Commission on the Irish famine.\textsuperscript{33} These roles cemented his reputation within parliament and he was frequently called upon during special commissions of inquiry into public departments.\textsuperscript{34} Outside of his official work Bromley was just as efficient regarding enquiries into the Civil Service superannuation scheme, leading his committee in agitation through meetings and the printing and circulation of papers. By 1856, he could claim the support and signatures of between 3,000 and 4,000 civil servants on a petition to the Chancellor of the Exchequer calling for further investigation into the operation of the superannuation system.\textsuperscript{35}

In 1853 the activities of the civil servants against the superannuation system took a new approach with the launch of their own newspaper, the \textit{Civil Service Gazette}. The \textit{Gazette} did not champion one topic, but superannuation was deemed so important it became the focus of its first issue. The leading article, titled the ‘Superannuation Fund’, declared that this grievance was the greatest proof of the need for a journal like the \textit{Gazette}.\textsuperscript{36} The opening address of the new weekly publication set out the aims of the journal to ‘give force and expression to the voice of our clients’, a class of people forced by their employment to be ‘tongue-tied’ and ‘silent’, stopped even from voting and having their grievances taken to Parliament on their

\textsuperscript{31} Ibid., p.78.
\textsuperscript{32} Ibid., p.78.
\textsuperscript{34} Ibid.
\textsuperscript{35} PP 1856 [337], p.79.
\textsuperscript{36} \textit{Civil Service Gazette}, 1 January 1853, p.10.
behalf—the journal hoped to provide a gateway to the House of Commons and a mouthpiece to air troubles as well as joys.\textsuperscript{37}

Bromley’s committee and the \textit{Civil Service Gazette}'s criticism against the Superannuation system was that it was unfair, the scale of pensions was not sufficient and the deductions from salaries were ‘oppressive’.\textsuperscript{38} Of these grievances it was the deductions and their neglect to help provide for civil servants’ widows and orphans that provoked the greatest distress. In 1848, the committee had sought the advice of William Farr, a civil servant in the General-Registrar office who was well known for his statistical skills. That year, based on information supplied by the committee, Farr presented a paper to the Statistical Society of London entitled ‘Statistics of the Civil Service of England with Observations on the Constitution of Funds to provide for Fatherless Children and Widows’ which suggested that the deductions from salaries would be better used in establishing a fund not for retiring employees, but for the families left after the death of the civil servant.\textsuperscript{39} Using Farr’s findings, the committee organised a petition and a deputation on Prime Minister Lord Russell calling for a ‘Civil Service Provident Fund’.\textsuperscript{40} The importance of this line of argument was such that the first issue of the \textit{Gazette} published in 1853 reprinted the 1848 petition from civil servants asking for the deductions from salaries for the superannuation fund to be put towards a provident fund for widows and orphans of civil servants.\textsuperscript{41} Included with the petition were a number of important ‘facts’ that lay at the heart of the argument, they reasoned that ‘according to the ordinary laws of mortality’, only ten out of one hundred men would receive any superannuation at all as men had to be aged sixty-five or over to retire.\textsuperscript{42} Moreover, a return from 7,964 civil servants demonstrated the great cost of neglecting their dependents. The vast majority were married, with the number of wives totalling 5,369, and the number of dependents was more than trebled when the civil servants’ 16,331 children, including 10,506 who were under 15, were counted. They calculated this would have potentially left over 20,000 women and children without any assistance in the current system.\textsuperscript{43}

\textsuperscript{37} \textit{Civil Service Gazette} (CSG), 1 January 1853, pp.8-9.
\textsuperscript{38} PP 1856 [337], p.79.
\textsuperscript{41} CSG, 1 January 1853, p.7.
\textsuperscript{42} Ibid. By 1843, the first English Life Table was published based on the returns of births, marriages and deaths in England, and a committee of actuaries had also produced an insured life table using statistics from seventeen life assurance companies. See C. Walford, ‘History of Life Assurance in the United Kingdom 1825-1843 VI’, \textit{Journal of the Institute of Actuaries}, 26 (1886), p.310.
\textsuperscript{43} CSG, 1 January 1853, p.7.
As evidence that there was still support for this view, the issue also carried a letter calling for the deductions to go towards an insurance company rather than a superannuation fund.⁴⁴

For these civil servants it felt very unfair that provision was given from the public purse to the widows and orphans of the country’s most numerous holders of pensions—military and naval personnel—whilst their own deductions did not. In his evidence to the 1856 Select Committee, the statistician and civil servant William Farr presented the case of the widow of J. L. Smith, former surveyor of taxes at Worcester, who had been left destitute following his death. Mrs Smith was able to find relief from her deceased husband’s colleagues, but felt strongly that the ‘government ought to make some allowance for the widow and infant children of civil as well as of military officers’.⁴⁵ Army and navy personnel had been eligible for a pension due to long service or disability from the mid-seventeenth century with the establishment of the Chelsea, Killmarnoch and Greenwich hospitals. These institutions, based in London and Dublin, administered pensions for thousands of soldiers and sailors who were both out-pensioners, as well as residents of the hospitals. In the 1720s, Chelsea Hospital was managing the pensions for over 25,000 men; by 1842, when the War Office took over administration of out-pensioners, they totalled 80,000.⁴⁶ Widows were also eligible for certain benefits upon application to the War Office, however, this was severely restricted to the ‘on the strength’ wives, which amounted to only 4-6% of the total military marriages.⁴⁷ To have this status a soldier had to gain approval from his regiment before getting married, and without it his wife and children were not officially recognised and illegible for any benefits. Two years before the Select Committee on Civil Service Superannuation in 1856 the lack of support for the majority of military widows and orphans who were ‘off the strength’ resulted in the establishment of the Patriotic Fund.⁴⁸ Mrs Smith, whose situation was used by Farr in his evidence, was certainly referring to the provision made for the ‘on the strength’ widows, but he may also have been aware of the growing public concern for all military widows and may have considered civil widows needed greater recognition.

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⁴⁴ Ibid., p.11.
⁴⁵ PP 1856 [337], pp.185-6.
⁴⁸ This was initially funded through voluntary contributions and eventually was supplemented by the War Office. Ibid., p.124.
Families of civil servants had also been a key feature of the Civil List pensions, and the small number of families still receiving payments in the mid-nineteenth century provided proof that these provisions had frequently been achieved by civil servants through bargaining and negotiation. The 1837 list of pensioners on the Civil List included a number of cases where individuals had secured provision for their family from government at the cost of their own financial remuneration. For example, Robert Jennings, a chief clerk to the auditor of the Exchequer, ensured his family was given a pension by refusing a pay rise. As a result, in 1837 his widow Ann Jennings received £252 a year and his son Robert John Jennings, who was 46 years of age, received £151 a year. In another case a public servant took a temporary appointment at the cost of their permanent public appointment to secure a Civil List pension. The husband of Harriet Margaret King had been a barrister who had accepted a position under the Secretary of State on the condition that provision was made for his wife; as a result, in 1837, Harriet King was receiving £431 a year at the age of 72. One of the central criticisms of the Civil List was its tendency to be extended to wider family but, through the superannuation reforms, deductions from salaries without a provision for families provoked widespread resentment amongst civil servants.

Provisions for family members following a civil servant’s death and the use of contributions were the central concerns during the civil servants’ superannuation campaign in the 1840s and 1850s. Influenced by provisions made for the military, as well as the Civil List system, they were able to agitate and provoke discussions on how a pension should be administered and distributed. Through the work of the *Civil Service Gazette* and the committee led by Richard Bromley their grievances were published in *The Times*, which described the 1834 Superannuation Act as ‘a gigantic swindle’ and also presented to the Statistical Society of London. This two-pronged attack shone a light on the large discrepancies in salary within the Civil Service and advocated that government servants should be viewed as, and work together as, one body of employees. It may not have been a widespread popular movement, but the civil servants knew who to target and their voices were loud. The agitation was eventually answered in 1856 when the Chancellor of the Exchequer George Cornewall Lewis brought a bill to the House of Commons to alter the scale of pension payments. This attempt to change a small part of the superannuation provision resulted in a Select Committee in 1856, a Royal Commission

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49 PP 1837-8 [621] Select Committee on Pensions, p.49.
50 Ibid., p.49.
51 CSG, 7 January 1854, p.8.
in 1857 and a new Superannuation Act in 1859 that eventually removed contributions. The Gazette continued to follow the discussions on superannuation, but Bromley’s committee was dismantled in February 1856 when the Select Committee was called, considering their aim had been achieved. They were not a challenge to the establishment; they just wanted their grievances acknowledged.

Indeed, the place of civil servants within the establishment meant that they never questioned their entitlement to a pension from their employers. As Bromley stated in his evidence: ‘We consider that the State itself ought to provide for its worn-out servants’, but the system they presently toiled under did not provide that support.52 Far from creating a system on the principle of mutuality, the deductions suffered by civil servants were based on ‘the principle of a tontine, that a great many gentlemen shall put in a certain sum, and the longest liver shall derive the benefit’.53 As a group of employees they were part of the government system that had traditionally given a pension to employees. Reforms meant that how these employees were managed was changing and pensions were part of the reform, but it was the civil servants themselves that pushed for a reassessment of how superannuation should be viewed and administered. This chapter now turns to focus on the discussions that formed the 1859 Superannuation, an Act that would establish the principles of Civil Service pensions for almost a hundred years.

Debates surrounding the 1859 Superannuation Act

‘I am sure that every Member of this House, casting aside those old prejudices which used to be entertained against placemen merely as such, will admit the great importance to the due conduct attributed to the Government of the country’s permanent civil service… The civil service connected with the administrative departments at home is equally important to the due conduct of our public affairs; and those Gentlemen who give an unpaid attention to the business of the State as Members of this House, will, I am sure, be not slow to recognise the valuable assistance which the stipendiaries in the civil service render to them in the discharge of their public duties.’54

Sir George Cornewall Lewis, House of Commons Debate, 15 February 1856

Addressing the House of Commons in February 1856, the Chancellor of the Exchequer, Sir George Cornewall Lewis, asked its members to listen to the grievances of their civil servants.

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52 1856 [337], p.80.
53 Ibid., p.80.
54 Hansard, HC Deb, 15 February 1856, vol. 140, c.871.
He emphasised that the permanent Civil Service was not the same as the numerous sinecures, placemen and pensioners the reform parliaments of the 1830s had worked hard to diminish and there was value in giving financial support to this ‘so respectable, and so public-spirited a body of men’. By 1856 this ‘respectable’ body of men had been agitating for change in how superannuation payments were administered and paid for nearly a decade. Many MPs were still committed to tight economic controls on administration and any change to superannuation in the 1850s was a slow process. Nevertheless, a radical Act was passed in 1859 that combined the ideas of the reforming Civil Service with older ideas based on payment for loyalty and service.

The 1850s had seen a shift in attitudes towards the Civil Service, culminating in the creation of the Civil Service Commission in 1860 which transformed how civil servants were recruited, examined and promoted. Following an influential report written by Sir Stafford Northcote and Charles Trevelyan in 1853, the Civil Service was moving from an institution built on patronage to a burgeoning meritocracy. This change in emphasis, alongside persistent concerns over the government’s economic management due to the Crimean War and financial crisis, kept debates on deductions from employees’ salaries towards their pensions at the forefront. However, the desire to enforce this rule was softening as pensions, as a principle, were argued to be more important. Almost all MPs and civil servants acknowledged that civil servants needed and deserved pensions but, speaking in 1856, the Chancellor of the Exchequer still felt it was important to create a distinction between the placemen and pensioners of the Civil List and the professional Civil Service. The complexity of issues, and the balancing of new and traditional values alongside questions of finance and a growing and varied Civil Service, meant that both a Select Committee of MPs and a Royal Commission (of civil servants, MPs and the Governor of the Bank of England) were needed to examine the question.

The deductions made to civil servant salaries because of the 1829 Treasury Minute and 1834 Superannuation Act were central to the debates on Civil Service superannuation in the 1850s, but the government took a different viewpoint to that of the civil servants. The activities of Bromley’s committee of civil servants and the Civil Service Gazette demonstrated that the issue of families and financial support for widows and orphans were the employees’ main concern. However, the families of civil servants were not seen as important to MPs: for them the issue of deductions had more to do with the cost of superannuation and salaries. In numerous

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55 Ibid., c.871.
parliamentary debates the history of superannuation was recounted and it was often reiterated that deductions were introduced ‘so that the public may not eventually have to bear any part of the expense of these allowances’. The importance of this was repeated throughout the debates, particularly by MPs who had been serving at the time of the 1834 Act. This included Sir Francis Baring and Sir James Graham who argued that employees post 1829 must have known about the conditions of service, which included salary deductions, and cautioned against the removal of deductions without due consideration as many salaries had been calculated with the deductions in mind. Another MP who opposed any change to the pension system was Henry Rich, MP for Richmond and Liberal Party whip from 1846 to 1852. Rich argued that the Civil Service was better paid than the Army, the Navy or the Church and that MPs should not be ‘swayed by the clamour or complaints’. He felt that the agitation originated from the change of the class of people taking public office: the middle-class gentlemen who were formally holders of sinecures were now seeking employment in the Civil Service but taking positions below an older class of officers on higher salaries. This older class, having been in position before 1829, paid no contributions towards superannuation and Rich saw the agitation as a symptom of natural envy excited within the new class combined with their growing numbers.

Nonetheless, there was a growing number of MPs who advocated the removal of deductions, following the civil servant rhetoric that it was a tax. Speaking in 1856 Benjamin Disraeli described the history of superannuation as ‘the history of spoliation’, suggesting that every piece of legislation that had been passed concerning superannuation in the preceding fifty years had been inadequate. The injustice of deductions from some employees was articulated by John Arthur Roebuck stating that ‘one class was now taxed for the benefit for all three’, referring to the higher and lower class employees who were exempt from deductions but entitled to pensions. Furthermore, Sir Stafford Northcote challenged the notion that new employees would know about the deductions or how they were being managed, stating that ‘civil servants generally were not aware of what had taken place in Parliament in 1834’. As

\[56\] Ibid., c.876.  
\[57\] Ibid., cc888-890 & cc.892-894.  
\[58\] Ibid., c.886.  
\[60\] Hansard, HC Deb, 15 February 1856, vol. 140, c.887.  
\[61\] Ibid., c.890.  
\[62\] Ibid., c.891.
one of the authors of the 1853 report on the Civil Service, Northcote was also quick to highlight the importance of pensions ‘to get good servants … as a matter of true economy’. 63

The Select Committee appointed to look at the superannuation question was formed in February of 1856 and produced their report in July of that year. Between 25 February and 7 May they examined twenty-one witnesses ranging from members of the Treasury to representatives of the Civil Service Committee, as well as actuaries from private insurance companies. The committee members included those of varying opinions, notably Sir Stafford Northcote and Henry Rich, as well as Sir Francis Baring who was both a member of the committee and a witness due to his role in the 1834 Act. The focus of the Committee was to examine a Bill proposed to amend the 1834 Superannuation Act and it concluded that deductions should be abolished followed by a revision of salaries. The Committee also made it clear that it was their belief that civil servants had a right to a pension. Lord Stanley suggested a resolution that stated ‘that it is the duty of Government to provide adequate pensions for superannuated Civil Servants’, though caution led to an amendment to the wording that was less forthright in its suggestion of entitlement. 64 The committee agreed ‘that the practice of providing Superannuation Pensions for Members of the permanent Civil Service is based on sound principles of policy’. 65 By replacing ‘duty’ with ‘policy’ the Committee was attempting to maintain control over the provision, using ambiguity to give future parliaments room to manoeuvre—but it also demonstrates the Committee’s indecision.

The lack of clear and practical conclusions from the Select Committee, despite the large range of evidence gathered, resulted in a new tactic from the Chancellor of the Exchequer and a Royal Commission was appointed in November 1856. 66 This Commission had six members, including Charles Stanley Viscount Monck, the Queen’s cousin, Edward Lord Belper, Sir Edward Ryan, Sir Alexander Young Spearman (Baronet), and Thomas Matthias Weguelin Esq., the Governor of the Bank of England. Viscount Monck was the only member to have also been a part of the Select Committee, which may have been useful considering no new witnesses were called. Additional evidence consisted of reports from government departments, additional statistics, copies of various laws, and correspondence with the Bank of England, the East India Company and the North Western Railway as to their pension provision. The men had a range of expertise that would contribute to a more comprehensive understanding of the pension system.

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63 Ibid., c.891.
64 PP 1856 [337], p.xi.
65 Ibid., p.xii.
66 PP 1857 Session 2 [2216], p.iii.
of backgrounds, but strong connections to government and the Civil Service; even Weguelin who had been serving as Governor of the Bank of England from 1855 would later stand as MP for Southampton in 1857.

Two notable civil servants within the Commission were Sir Edward Ryan and Sir Alex Young Spearman. They could easily have been of the older class of civil servant Henry Rich had described, employed before 1829 and in respectable positions, however they brought interesting and differing perspectives. Sir Edward Ryan had started his career as a judge in India, eventually rising to the appointment of Chief Justice in Calcutta. In 1843 he returned to England due to ill-health and in 1855 he became one of the first unpaid commissioners of the new Civil Service Commission. This position was secured through Trevelyan and Macaulay, old friends from his time in India, and it placed Ryan at the forefront of reform within the Civil Service. Spearman had also been part of Civil Service reform but from an alternative standpoint. He had entered public service in 1808, aged just eighteen, and his career trajectory included the positions of Chief Clerk, Auditor of the Civil List, Controller of the Stationery Office and then Assistant Clerk of Revenue in the Treasury. In February 1831 Spearman was appointed Auditor of the Civil List and in 1836 he was promoted to Assistant Secretary of the Treasury. This would have given Spearman extensive knowledge of workings of this old system of remuneration as well as the reforming attitudes towards pensions. Though Spearman had also experienced first-hand the value of a supportive employer when he fell ill due to over work in 1840, he spent the subsequent ten years in virtual retirement but was able to return to public service in the National Debt Office in 1850. Though the membership of the Royal Commission did not stray far from government and the Civil Service, they did represent the changing and reforming character of public service over the previous fifty years. There was also extensive legal experience amongst the members with at least half of them having trained in law or served at the bar.

Due to the members’ experience and expertise the Royal Commission expressed their findings with less caution than the Select Committee and they stated that deductions should be removed

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68 Ibid.
70 Ibid.
71 Ibid.
72 These included Lord Belper, Viscount Monck and Sir Edward Ryan.
without salaries being altered. This was justified through the large number of anomalies they found stretching across the Civil Service. It appeared that across and even within departments employees were paying different rates of deductions, with the Post Office given as a specific example where officers based in the

‘establishments of London, Edinburgh, and Dublin, are charged with deduction, and are entitled to superannuations. The similar officers in the Post Officers of Liverpool, Manchester, and Glasgow, neither pay deduction nor receive superannuation, though the Post Office establishments in these towns are not less important, in point either of business or revenue, than those of Edinburgh and Dublin.’

There was an even bigger problem regarding the lower classes of officers who made no contribution to the pension they were entitled to. Their wages were so low that any deduction made towards a pension would deem that wage as inadequate. Wages were not within the remit of the Commission, and there had even been a preceding Select Committee that had examined and adjusted salaries, particularly at the Post Office salaries.

Unable to increase the wages of the lower orders, the logical step was to remove contributions for all employees, but this was not the only reason.

By removing deductions, the Commission aimed to end the civil servant’s sense of property over the superannuation award. This would remove any claim on the award from an employee who left the service or from his family if the employee died. The reluctance to pay out to relatives was probably another money saving policy, but there was also confidence that public opinion would not go against the government if deductions were removed.

‘It is true that sympathy has of late years been excited in favour of some claims for assistance made by the widows of deceased Civil Servants; but in these cases the applications were grounded, not upon a general claim for provision as widows of Civil Servants, but on the fact that their husbands had made large contributions under the name of dedications to a supposed fund, from which they had themselves received no benefit, and on which it was, therefore supposed that their families might have an equitable claim.’

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73 PP 1857 Session 2 [2216], pp.vii.
74 Ibid., pp.vii.
75 Ibid., pp.xiii.
76 Ibid., pp.xii.
For some members of the Commission, such as Spearman, the connection between passing ‘irregular’ emoluments to family members was too closely aligned to ‘Old Corruption’ and great expense to the government. It was felt that the majority of civil servants were paid enough to set up life insurance policies to safeguard their family in the event of death, and this should be further assisted as they were no longer expected to pay contributions into their superannuation. However, there was no discussion of what the lower-class workers, whose pay was only just adequate, were supposed to do for their widows and orphans.

Government was not perceived to be responsible for the welfare of its employees’ families; however, the Royal Commission carefully set out why it was accountable for civil servants’ welfare in retirement. They gave three reasons: first was the need to relieve the civil servant of ‘anxiety respecting his future’ by providing support should he become too old or infirm to work; secondly, a long service should be rewarded as ‘public opinion would not allow that such a man should be permitted to starve’; and, finally, it would be to the government’s advantage that a civil servant should not continue to work after he has ‘become incompetent to perform his duties’. Interestingly, the use of a pension as a means of ensuring the application of a particular quality of servant was not reiterated here, despite Sir Edward Ryan’s experience with the Civil Service Commission and its focus on recruitment. Instead, pensions were tied into the system of promotion that was another cornerstone of the Civil Service reform and wider ideas of keeping the government machine working efficiently and economically.

The Royal Commission concluded in May 1857, but a new Superannuation Act did not follow until 1859. The delay was partly due to parliament waiting for a supplementary report from actuaries, but also due to continued debates within the House of Commons. The proposals from the Royal Commission were estimated to bring a bill of £70,000 for the immediate end of salary deductions and an additional annual increase of £30,000 to the salary bill. Henry Rich MP was furious and before the government could put forward a Bill he raised the matter in the Commons, accusing the Commissioners of pandering to ‘importunate’ civil servants and provoking further agitation for salary increases. When a Bill was eventually brought to the Commons at the end of June 1857, Lord Naas defended the Commissioners findings, stating he was confident that the ‘ultimate advantage of the public will be much more than a compensation for any possible temporary loss’, and that there was a precedent through changes made with regard to the Chelsea Pensioners in 1847 that had brought an additional cost of

77 Ibid., pp. xi
78 Hansard, HC Deb, 29 June 1857, vol. 146 c.561.
£60,000 a year to the public purse.\textsuperscript{79} However, even the Chancellor of the Exchequer could not bring himself to support the Bill, especially as the report from the actuaries had not arrived, and the Bill failed to proceed.

There appeared to be a stalemate in government, and progress was only made with a new Conservative minority government in power from 1858. At this point the new Chancellor of the Exchequer Benjamin Disraeli and his financial secretary of the Treasury Sir Stafford Northcote took charge of the subject pushing for an Act to be passed in 1859. Considering Northcote’s background with the reform of Civil Service recruitment it is perhaps unsurprising that it took someone of his skill and vision to push through the legislation. Like his predecessors, Northcote met opposition in the Commons who wanted to know the cost and implications across departments, but Northcote’s objective was clear. Addressing the Commons in March 1859, he stated:

‘What the country really wanted was not to save so many pounds, shillings, and pence in the superannuation of its civil servants, but an adequate supply of good, cheerful, and willing servants, and the adoption of measures which would enable those in its employment to retire at the proper time without a feeling of hardship.’\textsuperscript{80}

He put the men and the condition of their service before the cost, convinced that a good and fair pension system was integral to ensuring a good, efficient and loyal body of workers. Through the numerous debates, committees and commissions, the view of the role of Civil Service Superannuation had come full circle. As long as civil servants were loyal and long serving they had a right to a pension and the government had a duty to provide it as part of a mutually beneficial relationship.

**Role of Actuarial Science**

The development of the 1859 Superannuation Act was a reflection of the changing attitudes of government to the provision of pensions for civil servants. The focus so far has been on the debates and discussion within government and amongst civil servants regarding what a pension was and who it was for. However, another important aspect is the role of actuarial science within the development of the Act. This was a field that was emerging from the eighteenth century and professionalised in the nineteenth century, becoming particularly important as the insurance industry grew. Principles and characteristics of actuarial influence in the insurance

\textsuperscript{79} Hansard, HC Deb, 30 June 1857, vol. 146 cc689-707
\textsuperscript{80} Hansard, HC Sitting, 18 March 1859, c.360
industry can be seen in the nineteenth-century civil servant superannuation schemes through the use of scales of payment and age limits. However, its involvement was limited in sculpting the legislation and featured little in the debates, suggesting that the management of risk was not as important as the relationship with workers the pensions would represent.

Various elements of the 1859 Superannuation Act can be seen as having their origins in eighteenth-century ideas surrounding old age and increasing attempts to document age. The Act stipulated that to be entitled to a pension the civil servant must be over sixty years of age, which by the nineteenth century was an administrative indicator of old age. Pat Thane has argued that the age of sixty or seventy has been used in discourse in England from at least medieval times to signify the onset of old age.\(^{81}\) Though old age was not legally defined, the age of sixty was often the time people were expected, by law or custom, to withdraw from public activities, on the grounds of old age.\(^{82}\) Through the work of Susannah Ottaway and Lynn Botelho, amongst others, we can see the eighteenth century as a period that gave more importance to chronological age in determining the onset of old age, as opposed to physical ability or appearance and behaviour.\(^{83}\) This was the result of the ‘increasing administrative structure of the eighteenth-century local and national bureaucracies’: no matter how lowly or illiterate, most people could expect to have aspects of their lives become part of a written record.\(^{84}\) In 1761 a superannuation fund for Customs officers, which had started in 1713, added a new requirement: officers had to be sixty or over to be eligible for a pension.\(^{85}\) In 1788 Commissioners lowered the minimum age to fifty-five, but over the course of the nineteenth century this minimum age varied between sixty and seventy.\(^{86}\) In addition, many friendly societies that paid out support to the elderly had a requirement that ages between sixty and seventy were the minimum for a claim, though sometimes lower for women, and Defoe and

\(^{81}\) Thane also suggests this could go back further into history since even in ancient Greece sixty was the age that military service was expected to end. P. Thane, *Old Age in English History: Past Experience, Present Issues* (Oxford, 2000), p.24.

\(^{82}\) Thane, *Old Age in English History*, p.24.


\(^{84}\) Ottaway, *The Decline of Life*, p.51.


\(^{86}\) Ibid., p.66.
Dowdeswell proposed that old age pensions should start at fifty. Increasingly, chronological age of a person was being seen as a qualification for being old and being treated accordingly.

The emphasis on chronological age was only part of this shift and as the nineteenth century progressed friendly societies and insurance companies became increasingly influenced by the calculations and practices of actuarial science. The close ties between the development of actuarial science and friendly societies is demonstrated by the fact that the term ‘actuary’ was not used in a legal sense until the Friendly Societies Act of 1819. Moreover, the Act dictated that no tables should be adopted by friendly societies unless approved ‘by two persons, at the least, known to be professional actuaries skilled in calculation’. The life assurance industry facilitated the development of actuarial science and through the legal restrictions on friendly societies the government was able to monitor the progress of the field. The emergence of this discipline encouraged and facilitated the increasing obsession with statistics in the first half of the nineteenth century. The Statistical Society of London was founded in 1834; by 1836 the government’s interest in statistics had led to a law that all births, marriages and deaths should be registered. By 1843 the first English Life Table was published based on the returns of births, marriages and deaths in England, and a committee of actuaries had also produced an insured life table using statistics from seventeen life assurance companies. The field of actuarial science was becoming so broad that in 1840 the first journal dedicated to life assurance, Post Magazine, was published and in 1847 the Institute of Actuaries was established.

The influence on government was not only seen in the Friendly Society Acts, but also in the development of superannuation schemes. The Actuary of National Debt and Government Calculator, John Finlaison, had been employed to calculate payments on the pension list and consequently gave evidence to the 1837 Select Committee on Pensions. The 1859 Act was also inclusive of a more cautionary use of scale moving from fractions of twelfths to sixtieths. This new scale meant that if a civil servant had served between ten and eleven years he could receive a minimum annual allowance of ten sixtieths of his annual salary and emoluments. This

87 Ottaway, The Decline of Life, p.58.
89 For select committees looking at Friendly Societies in 1820s actuaries were principal witnesses, see Walford, ‘History of Life Assurance 1825-1843’.
91 Ibid.
93 PP 1837-8 [621], p.89.
amount increased by a sixtieth every year corresponding to the length of service up to a maximum of forty years of service, when the annual allowance of forty sixtieths, or two thirds, could be granted.

However, despite this perceived caution and use of smaller fractions, the reason for this change was not motivated by informed statistics. The change in fractions was motivated by the desire to change the type of scale from a ‘jumping’ system to a ‘sliding’ system; this meant that the pension available to an employee would be increased annually rather than after a gap of seven years. As Sir Stafford Northcote explained, the scale gave an ‘advantage to those who had served long periods [and] it diminished the allowances of those who had been engaged in the service of the State for shorter ones’. 94 It still encouraged employees to work for as long as possible by removing the pressure to stay when incapable of reaching a seven-year milestone and rise in pension. The decision to use sixtieths probably had more to do with the ease of using the sexagesimal numerical system in calculations than actuarial calculation of risk. 95

Furthermore, though consulted, actuaries were not central to the formation of the 1859 Act or the debates leading up it. Richard Bromley, chairman of the Civil Service Committee, had enlisted the help of fellow civil servant and statistician Dr William Farr to look at the contributions paid by employees towards their superannuation. Farr had concluded that a pension provided by an insurance company would be of better value to civil servants than the superannuation provided by the government and he subsequently presented this evidence to the London Statistical Society, printed it in a pamphlet and gave evidence at the 1856 Select Committee. 96 The 1856 Select Committee did call actuaries from private insurance companies, including Thomas Rowe Edmonds from the Legal and General Insurance Office, Charles Ansell of the Atlas Insurance Office and Peter Hardy of the London Insurance Office. These men were questioned on Farr’s calculations, specifically as to whether the contributions currently paid should cover the cost of pensions. Most agreed with Farr, to the extent that they believed that the current system of deductions was not fair for civil servants and the payment of contributions exceeded the amount needed to pay pensions. 97 However, Edwards made it clear that he believed an insurance company would only pay a pension or annuity if the

94 Hansard, HC Sitting, 18 March 1859, c.357.
95 The numerical system based on sixty dates back to Babylonian mathematics. It formed the basis for time, with sixty seconds in a minute and sixty minutes in an hour. It is considered useful due to the large number of factors.
96 PP 1856 [337], p.102.
97 Ibid., p.326.
recipient was suffering from ill-health and on a lesser scale to that offered by the government. Hardy also criticised the pension system suggesting that the current Act was not being enforced strongly enough to ensure that civil servants were not retiring before they were incapable of working in their departments. Both demonstrate some of the clear differences between the principles of pensions paid by a commercial enterprise and the government. Due to the government’s need for a standardised practice across grades and departments, as well as its desire for a younger and efficient workforce, retirement was enforced at the age of sixty-five which put the pension on shaky actuarial grounds. A similar system would be deemed too risky by a private company but fitted the government’s aims.

Most of the questioning of actuaries focused on deductions, their value and how they believed they could be managed. Yet, since the Select Committee and the Royal Commission concluded that deductions were unfair and should be abolished, the evidence given by the actuaries appears to be somewhat redundant. Nevertheless, Sir George Lewis, Chancellor of the Exchequer, insisted on delaying any legislation on superannuation until full reports had been received from the actuaries based on their own calculations rather than those of Dr Farr. This delay occurred for both the Select Committee and the Royal Commission, but in both cases the findings of the reports were presented and debated in parliament without the actuarial calculations. Even when the information arrived, its findings were not formally reported and discussed in parliament. When presenting a Bill to remove deductions in June 1857, Lord Naas openly dismissed the value of actuarial opinion, convinced ‘that the most delicate calculations of all the actuaries in the world could not persuade the six out of the seven who never received any allowance that they were fairly treated’. Once opinions had been formed and deductions condemned the importance of the financial cost of pensions appeared to lose it potency, this enabled Northcote to present his Bill with little emphasis on ‘pounds, shillings, and pence’ and more on the ‘good, cheerful, and willing servants’ his Bill would bring.

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98 Ibid., p.308.
99 Ibid., p.326.
100 Lewis mentioned a delay in getting a report from the actuaries in June 1856 following the Select Committee (Hansard, HC Deb, 9 June 1856, vol. 142 c1163), and again in June 1857 after the Royal Commission (Hansard, HC Deb, 8 June 1857, vol. 145 cc1319-20).
102 Hansard, HC Commons Sitting of Friday 18 March 1859, c.360.
Conclusion

The Superannuation Act of 1859 was distinctive as it removed employee contributions, rejected actuarial analysis and removed any reference to family. Even though the government portrayed an ethos of reform and efficiency, it is possible to see these changes in a different light. The removal of contributions was an attempt to give the Treasury greater control over the pension, removing any legal claim of property on the pension. For the Treasury, superannuation was, at best, a gift their employees should be grateful for or, at worst, compensation—an equal exchange of financial security in return for loyal service.\textsuperscript{103} However, the decision to ignore the issue of wages left the perception that wages were kept lower due to the pension paid at the end of service; the pension became a form of deferred pay and it did not remove the sense of entitlement. By the end of the century, many civil servants felt their contract of employment and loyal service \textit{entitled} them to a pension and it was something they had paid for indirectly due to lower wages.

At the beginning of the nineteenth century, the Civil List and other aspects of ‘Old Corruption’ had tainted the idea of a pension, associating it with living at the expense of others. However, by the 1840s there was the beginning of a shift in the perception of what a pension could mean. This was partly instigated by protests from civil servants themselves who publicised the unfair system to which they were subjected, a system that had been a product of the old prejudices. Instead, they called on the traditional relationship between the state and its servants that had been cultivated through the Civil List and suggested the government had a duty to support its workers. The important definition of this payment as providing support in later life, not out of need but as a reward for good service, made the use of deductions and actuarial practice redundant. Many MPs may have objected to the apparent lack of financial concern for providing pensions to the growing Civil Service advocated by the 1856 Select Committee and 1857 Royal Commission, but they could not deny the force of the growing belief that, as stated by the actuary Peter Hardy during his evidence in 1856,

\begin{quote}
the nation ought to be as well prepared to pay the pensions of its civil servants as to pay their salaries.\textsuperscript{104}
\end{quote}

It was upon this belief that the 1859 Superannuation Act was based.

\begin{flushright}
\textsuperscript{104} PP 1856 [337], p.327.
\end{flushright}
Chapter 2:
Where Two Worlds Collide: The East India Company’s Pensions and Superannuation Systems

‘... on the evening of the 12th of April, just as I was about quitting my desk to go home (it might be about eight o’clock) I received an awful summons to attend the presence of the whole assembled firm in the formidable back parlour. I thought, now my time is surely come ... I am going to be told that they have no longer occasion for me ... when to my utter astonishment B____, the eldest partner, began a formal harangue to me on the length of my service, my very meritorious conduct during the whole of the time ... He went on to descant upon the expediency of retiring at a certain time of life ... and asking me a few questions as to the amount of my own property, of which I have a little, ended with a proposal, to which his three partners nodded a grave assent, that I should accept from the house, which I had served so well, a pension for life to the amount of two-thirds of my accustomed salary—a magnificent offer!’

Charles Lamb, ‘The Superannuated Man’, 1825

In April 1825, Charles Lamb, the poet, playwright and essayist, retired from his day job at the East India Company on a pension of £450 a year. He was fifty years old and had worked for the company for thirty-three years.¹ The following May, he published an essay titled ‘The Superannuated Man’ in the London Magazine under the alias ‘Elia’.² In this essay Lamb recalls the drudgery of work, the long hours and the anticipation of holidays, which included Sundays and a week in the summer. He suggests that an illness was starting to affect his work and was consequently called to the company boardroom. Worried that he was about to be dismissed, Lamb describes his surprise at being granted a pension for life and immediately released from service. Traditionally, this essay has been examined for Lamb’s discussion of life after retirement, his initial enthusiasm quickly falling away as he missed his colleagues and the structure of work. This is partly due to the perception that retirement was not good for Charles Lamb. He may have lived on his pension for nine years, but these years were not as prolific as

those he spent working at the East India Company. This is attributed partly to his descent into alcoholism, an addiction that was seen by his friends and family as contributing to his death.  

This essay may appear to be the sad prelude to the slow deterioration of an acclaimed writer, but it is also a valuable insight into the life of an ordinary office clerk in the East India Company in the early nineteenth century. Lamb was an extraordinary and accomplished writer, moving within Romantic literary circles and well known for his poetry, children’s literature and essay writing; he was also a great friend of literary radicals Samuel Taylor Coleridge and Leigh Hunt. Nevertheless, Lamb was also a dedicated office clerk. He did not let his writing career interfere with his day job and, although it appears he did not pursue promotion in order to be able to have time to write, he was a committed employee willing to work ten-hour days. Through reading *The Superannuated Man* we are able to gain an understanding of the feelings of anticipation and gratitude that could be experienced by an East India Company clerk in receipt of a pension, as well as the emotional impact of the perceived freedom that a pension could give an employee.

By the time Charles Lamb received his pension in 1825, the calculation and regulation of Company superannuation for staff on the home establishment had been standardised by the British government. The 1813 East India Company Act outlined a clear scale of payment based on age and length of service that was not officially altered over the course of the Company’s life span. Yet, the Company resisted full government control over how it remunerated its staff, continuing to maintain two contrasting systems of pension, paying out ad hoc pension payments to temporary and permanent staff as well as the official system dedicated by government. The ad hoc payments were called pensions and the structured systematic payments were called superannuation, giving clear names and definitions to the traditional and more modern styles of payment.

Through their pension and superannuation payments, the East India Company was ensuring they maintained their power and sense of control over their staff. With these two contrasting systems in place, Lamb’s surprise to be offered a pension regardless of his long service, ill-health and government attempts at standardisation appears reasonable. Lamb’s essay may be a mixture of ‘fact and fancy’; indeed, he attributes his work to an unnamed insurance firm, rather than the East India Company, and does not mention two medical certificates he had previously

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4 Ibid.
presented to the Company in the hope of retiring on the grounds of ill-health. Still, there is no reason to suggest that the emotional reaction to the retirement process was not genuine. Consequently, Lamb’s shock at being granted the relief he had already petitioned twice for demonstrates that, despite a strict and clearly outlined regulation on retirement, the Company reinforced their authority through an element of uncertainty and apprehension. Moreover, once received, even to Lamb’s great relief, the reality of retirement was not necessarily all he had wanted—this is a recurrent theme in the pensions examined in my doctoral research.

Notwithstanding the testimony of one of the most famous East India Company clerks, historians of the East India Company and its workers have generally presented the pension as a simple benefit of working for the Company, the result of a generous and benevolent employer. For one of the earliest historians of the Company, William Forester, the early pensions of the eighteenth century were made ‘as an act of charity’: they were a gift and to be granted one was the exception rather than the rule. For more recent scholars of the Company, the giving of these pensions was slightly more calculated than that: pensions have been portrayed as the result of a paternalistic management system, born out of a ‘sense of responsibility’ and a reputation ‘for looking after its own’. Margaret Makepeace has conducted the most in-depth research into the Company’s pension system to date, in her work on the warehouse labourers. This work has led to an association of the Company’s pension system with an ‘ethos of benevolence which underpinned the management’ of these workers. For Makepeace, pensions were representative of two of the Company’s objectives. Firstly, the pension system was part of a number of activities undertaken by directors and senior Company officials to project an ‘image of paternal benevolence both in India and at home’, in order to counteract any negative criticism of the Company’s work. Secondly, it was a reflection of the ‘deep rooted notions of paternalism in British Society’. Paternalism may have been useful as a public relations exercise but they were also part of the culture of the merchant community of the City of London; Company directors were, for example, often philanthropic in their own right. This

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6 Ibid., p.89.
9 Ibid., p.73.
10 Ibid.
appears to be particularly important for the warehouse labourers as their pensions were not altered by any changes to the Company’s charter.

However, the Company’s other workers in London, who included clerks and doorkeepers, were managed and viewed quite differently. In contrast to the warehouse labourers, the first comprehensive pension scheme for the Company’s salaried home establishment was imposed on the East India Company by the British government through the renewal of the Charter in 1813. The interventionist role of the British government in regulating the pension system has generally been explained by historians as part of its broader moves towards the ‘retrenchment and rationalisation of the Company’s financial affairs’.12 Despite this attempt to control the Company’s finances, in light of the regulations that were to come for the Civil Service, this system is also noted for its generosity.13 Unsurprisingly, any focus on the 1813 Act has principally been through the lens of its impact on the Company’s control and power in India and China, and how much it contributed to the complete removal of the Company’s monopoly and commercial activities when the charter was renewed in 1833 through the Government of India Act. Reflection on how these superannuation and other pension payments were managed or viewed by the staff has hitherto been absent from discussion.

The focus on the economic management of the Company, its trade and its role in building the Empire has been reflected in a concentration of work on the directors and senior employees based in East India House.14 Other works have utilised the life and writing of the number of literary clerks, such as Charles Lamb, to produce a fleeting glimpse into life as a clerk in East India House.15 In the small body of work on how the East India Company managed their salaried employees in England the emphasis has been on how the employees were managed through systems of contracts or how the salary structures reflected their cost of living.16

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12 Bowen, The Business of Empire, p.140.
13 Forster was a clerk in the Company’s successor, the India Office, so may have felt the change in policy more acutely. Foster, The East India House, p.227.
14 See Bowen, The Business of Empire; C. H. Philips, The East India Company 1784-1834 (Manchester, 1940); and Foster, The East India House.
This chapter will address an important gap in the literature on the East India Company and examine the pension provisions made for all the East India Company employees based in England at the beginning of the nineteenth century. Although the growing encroachment of the British government into the affairs of the East India Company is not a new finding, by examining the pension provisions for the salaried employees it is possible to see the relationship between the government and Company in a new light. The pensions of employees were only directly handled by legislation once, in 1813, even though government policy towards the Company became increasingly interventionist. Additionally, as Makepeace has demonstrated, government legislation had little impact on how the labourers were managed and administered. Labourers may have been at the bottom of the East India Company hierarchy, but they could be promoted to the role of messenger or writer, both of which roles were granted pensions under the regulations outlined in the 1813 East India Company Act, making it notable that they were excluded. Furthermore, it was the only part of an employee’s remuneration that was legislated for. The government did not interfere with any other part of the recruitment or pay of Company employees. This is exemplified by the continued use of traditional ad hoc pensions alongside the new superannuation system.

Through consideration of the pension and superannuation systems that ran simultaneously in the East India Company, it is possible to see how different styles of retirement remuneration were useful for different types of people and varying circumstances. Superannuation payments were solely for employees and pensions were for circumstances outside the realm of regularly employed and salaried workers, which could include workers’ families or temporary employees. Using Zelizer’s categorisation of payment, the superannuation system could be seen as a form of compensation, or even entitlement, earned through service, whereas pensions were a gift, one off payments. However, the Company ensured that their workers did not feel entitled to retirement payments and, despite the regulations laid out within the 1813 Act which were used by the Company to justify the superannuation payments, the system was never used by employees as a bargaining tool. This contrasts with the many changes and challenges to the identical superannuation system enforced through the 1810 Superannuation Act in the British Civil Service. By the renewal of the charter and the Government of India Act 1833, the government superannuation system had changed significantly but there was no attempt or discussion of changing the East India Company system. This may have been due to too many

other distractions and important issues, including the Reform Act in 1832 and the need to remove the Company monopoly, but there was still no change once the government took over administrative control of India in 1858 or officially dismantled the Company in 1874. There would be no formal change to how superannuation payments were administered for former East India Company employees until 1896, over eighty years after the 1813 Act.

**1813 East India Company Act**

The attempt to regulate the East India Company’s pension payments through a system of superannuation was not just the result of the government’s increasing attempts to control the Company’s finances: it was also a reflection of the wider changing attitudes. The 1813 Act was able to regulate retirement remuneration as there was an increasing belief inside and outside of government that this type of reward should not be an unequivocal right, but something earned—compensation for loyal service.

By 1800, the East India Company was a large and complex commercial organisation but since the mid-eighteenth century it had been forced to succumb to increasing scrutiny from government. The first concessions were given following several financial crises and from the mid-1760s the Company was expected to send detailed accounts to Parliament.\(^\text{18}\) This only sparked greater interest and between 1767 and 1784 a succession of political interventions resulted in reform, followed by regulation and concluded in Pitt’s 1784 India Act.\(^\text{19}\) This Act established a Board of Control which had the power to overturn any decision made by the Court of Directors at the East India Company. Bowen has described it as a sharp break from the recent past, but also the result of the gradual attempts by the state to assume more control over the commercial aspects of the Company.\(^\text{20}\) The power the stockholders had held for the previous century was greatly diminished, and Court activities, which were previously raucous debates over policy and action, became by the 1820s more subdued where votes of thanks or approval for grants of money or amendments to Company policy were approved.\(^\text{21}\) The 1784 India Act had brought about a new system of working between government and the East India Company. Communication increased and policies were formed through the continual toing and froing of despatches. On most occasions policy was devised by directors and officials at East India House and then subsequently amended by the Board of Control.

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\(^\text{18}\) Bowen, *The Business of Empire*, p.69.
\(^\text{19}\) Ibid., pp.71-73.
\(^\text{20}\) Ibid., p.73.
\(^\text{21}\) Ibid., pp.75-77.
Peter Auber, Company Secretary, noted in 1828, what developed was ‘a system of checks’. This new way of working could be quite collaborative, but it marked a considerable shift in power that would only be extended further after 1800. The 1813 Charter Act’s attack on the East India Company’s monopoly has received a lot of focused attention from historians. The Act originated from industrial pressure for trade to be opened up alongside the Company’s rising Indian debts, which had called for a £2.5 million loan. However, it was also the first attempt by government to monitor and regulate the remuneration of employees in East India House. This inclusion was not only a comment on the Company’s financial management but another, more encroaching way to assert government control.

Of the thirteen propositions contained within the first drafts of the 1813 East India Company Charter only one was solely concerned with the Company’s activities at home. This was the proposition for ‘limiting the granting of gratuities and pensions to officers, civil and military, or increasing the same, or creating any new establishments at home’. The proposition appeared in both the initial propositions for the Charter, published in March and May with identical wording. Framed around an attempt to ‘protect the funds of the said Company’ and read alongside the propositions regarding the Company’s debts it is easy to see this proposition as solely related to the government’s belief that the Company was spending too much on pensions. However, financial responsibility was not the only reason and, during the decades preceding these propositions, there had been increasing dissatisfaction surrounding the administration of pensions within government and within the East India Company as public opinion of what a pension was and who it should be for was changing.

Public criticism and financial pressures had seen radical reform of the pension system within government. Edmund Burke’s Establishment Act to limit the pensions of the government and Crown’s Civil List to £95,000 had been passed in 1782, and by 1809 it had reduced the cost by £63,000. However, limitations on the Civil List were not enough and there were further calls for reform in 1809 and 1810. In response to a report on public offices and in anticipation of a report into public expenditure, Henry Martin, MP for Kinsale, discussed the areas he felt needed further attention. Amongst criticism for the needless sinecures and useless reversions

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22 Quoted in Bowen, The Business of Empire, p.83.
23 Robins, The Corporation that Changed the World, p.182.
25 Ibid.
was the call for a ‘regular system of superannuation’. This was supported by the resolutions of the Committee on Public Expenditure that followed in June. It did not set out the terms of a superannuation system, but for the first time suggested a superannuation system separate from the Civil List for all persons in public offices or holding civil employments in public service. These pensions were being singled out for the employee, the person who worked for their remuneration in retirement.

Later in 1810, the Public Salaries, Pensions and Allowances Act was passed, establishing for the first time that a pension was earned through the length of service and was not a form of gift or charity through the Civil List or other previous system. The scale of pensions outlined in the Act had been in use since an 1803 Treasury Minute, but at that time a previous Treasury Minute of 1802 was also in operation and appeared to differ on some fundamental principles of a pension system. The 1802 Treasury Minute had been targeted at certain key officers and made payments from a superannuation fund; in contrast, the 1803 Minute established the principle that superannuation should be paid out of public funds and included a scale of payment based on length of service and age for the first time. The scale and belief that superannuation should be paid for by central funds and not a contributory fund had persisted, and despite the pressure on public finance it became law in 1810. Ultimately, the 1810 Act was a combination of attempts to regulate the pension system and the belief that making it into a clear system with conditions and limitations was enough to make it an economic and fair arrangement. Importantly, it established a legal precedent that the responsibility lay with the employer—the state—for meeting the cost, with employees earning it through length and loyalty of service.

At the same time as politicians were becoming interested in pension payments through the Civil List and other means, they were also alert to how the East India Company administered its pension payments. In 1806, the House of Commons had asked for a list of all of the pensions and gratuities granted by the East India Company between 1793 and 1805. The list included civil and military officers from a variety of ranks on a broad scale of payments, including the Marquis Cornwallis who was given a pension of £5,000 in June 1793 for his services as

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27 *Hansard*, HC Deb, 8 May 1809, vol. 14 cc409-32.  
30 Ibid., pp.79-82.  
31 Ibid., pp.79-81.
Governor General of Bengal, as well as William Carr, a former book-keeper who was granted a pension of £40 in April 1797. It also included the widows, children and even mothers of civil and military officers, for whom the pensions were usually considerably lower. For example, Mary Denton, widow of the late commander of the Earl Spencer was granted a pension of £20 in April 1799, and the two surviving children of I. Millington, a former clerk, received a pension of £30. The total amount that had been granted and was still being paid amounted to over £36,600. In addition, the number of gratuities varied greatly each year, peaking in the financial year 1804-5 with over £92,200 paid out. The recipients of gratuities were even more varied than pensions but also more strongly linked to the Company’s maritime interests. In 1804-5, captains were compensated for the loss of an arm or rewarded for their conduct, clerks and seamen were granted gratuities for extra work performed; even a Dr P. Russell was granted £400 for his ‘work on serpents’. As this government return demonstrates, the Company was paying out a large variety of sums to a wide range of people for a large number of reasons.

However, politicians were not the only group of people interested in the cost of pensions at the Company. In September 1806 at the quarterly General Court of Proprietors at East India House, the Court of Directors had put forward a suggestion for the creation of the office of ‘Recorder of Prince of Wales Island’, and as part of this office would come a pension of £1,000 a year after ten years of service. At this time many of the stockholders did not feel the Company’s finances warranted the creation of this office, let alone the promise of a substantial pension, and Mr Johnstone argued a pension should not be granted ‘for services which had not yet been performed, and … [should] … alone be due after a laborious, faithful and honourable discharge of the duties of the office’. Others agreed with him and the resolution was narrowly negated by 27 votes to 24.

The hostility towards granting a pension before the work had been performed, and even the association between a pension and the absence of work, was part of a growing antagonism towards the pensions, sinecures and placements of the establishment. It was this critical view that fed into the proposition related to ‘gratuities and pensions to officers, civil and military’ in

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33 Ibid., p.4.
34 Ibid., p.5.
36 Ibid.
37 Reported in The Times (London, England), 25 September 1806; p. 3.
38 Ibid.
1813. Despite the presence of some reform of the Company’s ad hoc and unregulated pension provision in the early propositions for the Charter, a formal clause was not included until the second issue of the Bill in which a third amendment outlined how the Court of Directors would be able to grant their employees in England a superannuation.\(^{39}\) This clause included a proposed scale based on age and length of service. It stated that if a servant was under sixty, but incapable of discharging their duties due to ‘infirmity of mind or body’, with ten years of service performed ‘with diligence and fidelity’, the Company could grant a pension that did not exceed one-third of their salary and emoluments of their office.\(^{40}\) If they had served over ten years but below twenty they could receive a sum not exceeding two-thirds of their salary and emoluments. Similarly if they were above sixty years of age, having served fifteen years or more, they could receive a sum not exceeding two-thirds of their salary and emoluments.\(^{41}\) If over sixty-five, with a service record of forty years or more, they could receive a superannuation not exceeding three-fourths of their salary and emoluments. Finally, if aged over sixty-five, with fifty or more years of service, they could receive a sum not exceeding their whole salary and emoluments.\(^{42}\) This scale of payment was an exact copy of the scale formalised in the 1810 Superannuation Act and it consequently reinforced the ideas put forward by that Act.\(^{43}\) That pensions were a right that was earned through length and loyalty of service, but they were a payment that was the financial responsibility of the employer.

**Managing Pensions after 1813**

Despite the legislation enforcing a system of superannuation, the East India Company continued to grant large pensions to the employees, family members and others that the Company and its Proprietors considered were deserving of them. In the returns produced for Parliament, the Company would set out within one list the individuals who had been granted an increase in salary and those who had been granted a pension. In a separate list were the former employees who had been granted an allowance, compensation, remuneration or superannuation as set out within the East India Company Act of 1813 (53rd Geo III. Cap. 155

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\(^{39}\) PP 1812-13 [313] A bill [as amended by the committee] for continuing in the East India Company, for a further term, the possession of the British territories in India, together with certain exclusive privileges; for establishing further regulations for the government of the said territories, and the better administration of justice within the same; and for regulating the trade to, and from, the places within the limits of the said company's charter. p.2.

\(^{40}\) Ibid., p.2.

\(^{41}\) Ibid.

\(^{42}\) Ibid.

\(^{43}\) PP 1857 Session 2 [2216] Report of commissioners appointed to inquire into the operation of the Superannuation Act, p.v.
sec 93). Any grant of a pension over £200 had to be approved by the Board of Control but this appeared to be a formality.

Far from creating a new and dominant superannuation system, the 1813 Charter had in fact established a two-tier system. In May 1822, almost ten years after the East India Company Act, the Company was paying out over £39,200 in pensions, compared with £23,550 in superannuation payments under the 1813 Act. Forty-four out of 156 pension payments had been agreed prior to the 1813 Act, which accounted for the much larger pension bill in comparison to the superannuation payments. Nevertheless, when looking at the grant of pensions compared to superannuation payments in the eleven years after 1813 the totals granted were very similar, with approximately £39,883 granted in pensions compared to £37,100 in superannuation. Additionally, as Table 2 and Figure 1, below, demonstrates, there was no clear pattern of one type of payment consistently exceeding the other.

45 Totals taken from annual returns of PP Account of Proceeds of Sale of Goods of East India Company into Great Britain; Account of Allowances and Superannuation to Servants of East India Company 1815-1825.
Table 2. Total Pensions and Superannuation Payments Granted by the East India Company

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Pension Total (£)</th>
<th>Superannuation Total (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1815</td>
<td>4,490</td>
<td>4,020</td>
</tr>
<tr>
<td>May 1816</td>
<td>2,733</td>
<td>910</td>
</tr>
<tr>
<td>May 1817</td>
<td>3,533</td>
<td>5,264</td>
</tr>
<tr>
<td>May 1818</td>
<td>2,624</td>
<td>4,020</td>
</tr>
<tr>
<td>May 1819</td>
<td>2,632</td>
<td>4,359</td>
</tr>
<tr>
<td>May 1820</td>
<td>5,325</td>
<td>2,398</td>
</tr>
<tr>
<td>May 1821</td>
<td>3,809</td>
<td>3,805</td>
</tr>
<tr>
<td>May 1822</td>
<td>5,081</td>
<td>5,876</td>
</tr>
<tr>
<td>May 1823</td>
<td>356</td>
<td>1,130</td>
</tr>
<tr>
<td>May 1824</td>
<td>4,709</td>
<td>100</td>
</tr>
<tr>
<td>May 1825</td>
<td>4,591</td>
<td>5,218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39,883</strong></td>
<td><strong>37,100</strong></td>
</tr>
</tbody>
</table>

If part of the aim of the 1813 Act was to restrict or diminish Company spending on ad hoc pensions, it does not appear to have worked. Instead, both systems were maintained as they served different purposes and the superannuation system based on the 1813 Act did not replace the well-established system of pension granting. The superannuation system was reserved for employees ranging from porters to chief clerks and the Company physician, whereas the older pension system was used for military and maritime officers, as well as widows and other ad hoc payments to employees including clerks.

On the whole, the double system did not meet much criticism. However, the growing discomfort over the ill-defined and ad hoc style of pension system and its relationship to corruption can be seen through a debate that arose concerning the granting of pensions and the relationship between East India Company and the Board of Control. On 17 May 1814 the MP Thomas Creevey introduced a motion to the House of Commons for the reproduction of the letters from the Earl of Buckinghamshire, President of the Board of Control, to Robert Thornton, chairman of the East India Company, regarding the continuance and increase of pensions. He was concerned that the Earl had acted in violation of the ‘spirit and letter of the Act for continuing the charter of the East India Company’. The main point of objection was the belief that the letter from the Earl of Buckinghamshire had suggested that the Company

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47 Ibid.
48 Hansard, HC Deb, 17 May 1814, vol. 27 cc924-8.
49 Ibid., c.924.
grant a pension of £20,000 to Lord Melville, the son of the deceased former president for the Board of Control. The grounds for the suggestion rested on the fact that the late Lord Melville had served the Company well and that his son had now inherited his debt. It was the father’s long and faithful service that evoked the sentiment that the son deserved some assistance.\textsuperscript{50} Creevey stated that it was the function of the Board of Control simply to approve or disapprove the increase of a pension and that the Board should not be using its position to propose increases or grant pensions. The debate that ensued followed a course that questioned whether the letter was written in a public or private capacity, considered the merit of the late Lord Melville’s work in relation to his family needing financial assistance, and assessed the level of power or influence the role of the president of the Board of Control had over the Court of Directors. A vote did not support Creevey’s motion and the letters remained unpublished as the House of Commons appeared to side with the idea that the letter was indeed private and the suggestion not unwarranted given the service of the late Lord Melville.

Nevertheless, a year later the matter arose again. By this time the subject of Lord Melville’s pension had been brought to the General Court and a motion had been put to the East India Company’s proprietors. The original motion from May 1814 that had included a reading of the Earl of Buckinghamshire’s original letter, sent in January 1814, had eventually been put to a secret ballot in June of that year. As a result, 455 proprietors had voted to support Buckinghamshire’s suggestion of a pension of £20,000 to Lord Melville in light of his father’s debts and the service his father had performed for the Company.\textsuperscript{51} The pension was to be spread over ten years with an annual payment of £2,000. This was not the only pension or annuity that the correspondence between Buckinghamshire and the Court of Directors reveals was later voted for and approved by the General Court, but by July 1815 it had become a matter of concern for the House of Commons. This time, as the General Court had approved of the payment of the pension, the central argument rested on the relationship between Parliament and the Company. It was argued that, if the necessity of the pension was accepted, Lord Melville ‘should have received it by a vote of Parliament as a servant of the Crown, and not from the funds of the Company’.\textsuperscript{52} The merits of whether Lord Melville should receive the pension for his father’s work was touched upon but it appeared to be dismissed quite quickly by the House. Additionally, many felt it hypocritical of the Board of Control to suggest the

\textsuperscript{50} Ibid., cc925.
\textsuperscript{52} Hansard, HC Deb, 24 May 1815, vol. 31 cc371-90.
payment of a pension worth £20,000 when the Company had come to Parliament for money just two years earlier. For Lord Milton, the exchange demonstrated that the relationship between the Board of Control and the East India Company was not working in the public interest, and he felt resolutions of censure should be moved against Buckinghamshire as the president of the Board of Control. However, the mood of the Commons was against Milton and the arguments against his motion suggested that the advice from Buckinghamshire was not outside of his remit and, given the conduct of the late Lord Melville and financial situation of his son, it was justified.

In the years after the Act, the Company persisted and was encouraged by the Board of Control and its stockholders to continue to provide these ad hoc pensions for people who were not directly employed by the Company but considered to be deserving of the Company’s thanks. They represent the dominance of a culture surrounding these financial gifts that were deemed to have been earned through the conduct of an individual but had little structure or system around their length of service or salary and no connection to a contract of employment. Despite attempts to set up a system of checks and measures through the creation of the Board of Control, and the passing of the 1813 Act, there was not a strong political will to prohibit the practice of giving pensions rather than the structured superannuation scheme.

However, there were signs that opinions were slowly changing. In April 1817, when the Court of Directors presented a motion for a grant of a pension of £500 to Captain Earle, radical MP and proprietor Joseph Hume objected, arguing that the pension was not in line with the scale of superannuation as set out in Sec 93 of the 1813 Act. Hume went even further and moved for a motion that stated the Court’s concern for the ‘large and increasing pension list of the Company’ and pledged the directors’ ‘utmost vigilance and economy in every application of pensions brought before them’ with little deviance from the ‘act of the 53rd of Geo III cap 155 sec 35, which directed pensions to be granted according to the length of service of the servants of the Company’. The Times report of the General Court meeting detailed that Hume’s motion caused much discussion, a discussion not recorded in that newspaper or the Company’s Court Minute Books, but Hume’s motion was rejected and the original resolution regarding the pension for Captain Earle passed unanimously. The belief in the Company’s traditional role

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53 British Library, IOR/B/165 16 Court Minutes, April 1817, pp.32-4, also reported in The Times, 17 April 1817, p.3.
54 Ibid.
55 Ibid.
and ability to grant the pensions they felt appropriate was dominated, but the 1813 Charter Act as well as a number of challenges to pensions in the General Court meetings, from Lord Melville to Captain Earle, demonstrate that opinion was slowly changing. Unlike government, the East India Company did not face public criticism for their pension provision and administration, but the reformers in parliament were keeping a close eye on the Company.

1833 Charter Act

Through the creation of the two separate tiers of payment, pension and superannuation payments represented the power struggle between the East India Company and government. All lists and tables of superannuation payments always made note of the Act that was used to authorise and calculate the pension, a reminder of government power; but at the same time the Company continued to grant one-off or ‘special’ pensions. According to previous legislation the Company needed approval from the Board of Control for any pensions or salaries that were over £200 or gratuities that were over £600, although as has been demonstrated the established culture in the early nineteenth century meant that any real objection to the size of pensions or deviation from the prescribed scale was the concern of a minority. Nevertheless, the radicals were having increasingly influence in government, marked by the passing of the Reform Act in 1832. Change was in the air.

In December 1832, Charles Grant, President of the Board of Control, wrote to the Chairman and Deputy Chairman of the East India Company listing some of the leading points for consideration ahead of the imminent charter renewal. The list started with the fundamental changes that Grant and the Prime Minster Earl Grey wanted: the end of the China monopoly and the transfer of the Company’s commercial and territorial assets to the Crown. However, towards the end of the list were points that dealt with how the government wanted the relationship between the Company and Board of Control, or India Board, to continue, and this included the handling of pensions. The Board proposed an extensive increase in its powers, including having final approval of all grants of pension and salary and total control over the Company’s home establishment. The Court objected, stating that they considered ‘a continuance of the independent power which they now possess, of rewarding service and

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56 These types of pensions made from 1838 to 1854 are listed in BL IOR/L/AG/30/10, entitled ‘Home Establishment of the East India Company: Statements of special pensions granted’.
57 PP 1833 [126] Papers Respecting the East India Company’s Charter, pp.3-5.
58 Ibid., p.5.
59 Ibid.
conferring pecuniary benefits, to be essential importance to the efficient exercise of their functions’. 60 The transfer of the power over the Company’s home establishment would, in their eyes, simply make them into a Government Board.61 The Court of Directors and Secret Committee of Correspondence had been called to examine the government proposals: they saw this as an intrusion of power. However, Grant attempted to defend the measure as merely a financial and administrative matter. If the Company’s commercial revenues were removed, out of which the remunerations of the home establishment and other pensions were paid, then how would the Company meet this cost? 62 Grant’s offer of a compromise, an annual grant of funds to meet the cost of the home establishment, was not met with enthusiasm by the Court.63 The directors could only interpret this removal of their ability to remunerate their own staff as the result of an abuse of ‘the power in question’, otherwise there was no good reason for it. 64 Nonetheless, they agreed to the compromise of paying for their home establishment through a grant from the Board, as long as the Board could not change the amount at their discretion and did not interfere with the ‘scale of remuneration generally’. 65

In the space of twenty years the British government had used the issue of pension payments to assume greater administrative power over the East India Company and its employees. The 1813 Charter Act had imposed a system of superannuation modelled on the Civil Service superannuation, establishing a set of fundamental ideas about what a superannuation was as opposed to a pension. It was economically efficient since it was based on a scale of payment, but it was also a reward for loyalty of service that was not funded through employee contributions. The payments were strictly for employees and were the responsibility of the employer. However, the Company had resisted total compliance with this new system of remuneration, supplementing the superannuation payments with additional pension payments that were not calculated on a scale and were for a range of people—some directly employed, some not. As a result, despite the small but growing number of challenges to the use of ad hoc pensions or spending outside the superannuation scale, the superannuation system did not curtail spending and was not prioritised by the Company as the main form of retirement payment. By 1833, the government was taking a more critical look at its own superannuation system and wanted greater action to be taken at the Company. By 1828, civil servants were

60 Letter to Rt Hon C. Grant, 27 February 1833, in PP 1833 [126], p.39.
61 Ibid.
62 Letter from Rt Hon C. Grant, 14 March 1833, in PP 1833 [126], pp.51-52.
63 Ibid., p.52.
64 Letter to the Rt Hon C Grant, 18 March 1833, in PP 1833 [126], p.58.
65 Ibid.
expected to pay contributions towards their superannuation but, rather than change the superannuation system in the 1833 East India Company Charter, the government proposed taking direct control of the payments. The significance of this request is illustrated through the Company’s outright rejection and then reluctant compromise. By this stage, so much of the Company’s power and control over its business had been chipped away that the act of administrating their two pension systems was of even greater importance. To maintain this right the Company had one major factor on their side: they were the employers and, as the principles for the new superannuation systems had established in 1810 (in government) and 1813 (in the Company), this meant the responsibility of providing and administering superannuation payments was theirs.

The relationship between employer and employee does not appear to have been an important feature within the 1833 Charter negotiations. Instead, it was another power relationship—the one between the Board of Control and the East India Company—that was at a critical point. Grant was keen to emphasise that the Company’s independence would remain but at the same time he was advocating the removal of the Company’s income and the source of its independence for granting salaries and pensions. However, it was the Company’s relationship with its own employees that effectively enabled the Company to keep some control over remuneration. They stated that the Government’s plan provided that ‘the Board shall have power of control over the home establishment, the very officers and servants employed by the Court’.66 There was a hierarchy of power: the Board at the top, followed by the Company and its employees. Putting the employees under the direction of the Board removed any apparent need for the Company and, as the directors suggested, it would convert ‘the Court into a Government Board’.67 The government clearly did not want the responsibility of administrating more staff; since it wanted the Company to maintain political control in India it required the Company to handle the day to day management of its staff. A reminder of this was the fact that the Company had to prompt Grant to ensure that provision would be made for employees who were let go as a result of the change of system.68 It was such an important point that it was included in the Charter Act that followed in 1833. The Act set out that the Company would have to take into consideration the ‘claims of any person now or heretofore employed by or under the said Company, or the Widows and Children of any such Persons, whose interests

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66 Letter from Rt Hon C. Grant, 14 March 1833, in PP 1833 [126], p.52.
67 Ibid.
68 Letter to Rt Hon C. Grant, 27 February 1833, in PP 1833 [126], p.49.
may be affected by the Discontinuance of the said Company’s Trade’. Unlike the restricted superannuation scheme, compensation could also be claimed by families making this new pensioning system more akin to the ad hoc pensions the Company had persisted in giving. However, perhaps in a bid to give the Company a great feeling of autonomy the Act did not stipulate what the amount or scale of compensation and other allowances, including superannuation rewards, that could be given. This was left to the discretion of the Court of Directors, though it was outlined that any decided scale should be approved by Parliament. There may have been a desire to exert greater control over the Company through the commandeering of its pension and superannuation systems; however, the government was not ready for the full administrative responsibilities that came with that. Through the negotiations the Company demonstrated that it was best placed to maintain this responsibility, both as the direct employer, and also by dint of the fact that its knowledge and understanding of the workforce was better than that of the government or Board of Control.

**East India Company’s Management of Employees**

Throughout the nineteenth century the way the Company managed its employees was dictated by the financial pressures it was under. Increasing economic demands from the start of the nineteenth century were reflected in greater restrictions on and scrutiny into the working lives of its employees. In May 1817, four years after the 1813 Charter Act, the number of holidays was reduced to just Christmas Day, Good Friday, general fast days and general thanksgiving days, and there were stricter rules regarding extra pay for attendance during the sitting of Court. Clerks had to record and report their attendance to receive the payment, and Chiefs of Departments could not claim the allowance at all. Furthermore, dinner was no longer made available to clerks who attended the General Court, but those who earned under £600 a year were to be given ten shillings in lieu of that privilege. The 1820s and 1830s saw further measures to cut costs. Staff numbers were reduced in 1829, but in 1831 there was a report examining ways to restrict the numbers of extra clerks, a temporary role that was not on the establishment but able to claim a superannuation. The Company had decided to reorganise the distribution of duties and pay for writers and extra clerks, increasing the numbers of writers.

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69 3 and 4 Will 4 Cap 85 Sec 7.
70 BL L/AG/30/12 Organisation of the Home Establishment, 14 May 1817, p.105.
71 Ibid., p.105.
since they were not able to claim a superannuation allowance unlike the extra clerks.\textsuperscript{73} After the 1833 Charter Act this slow, creeping policy increased tenfold. The 1813 East India Company Act had started to force the Company to open up trading for private interests but with the renewal of the charter and the 1833 East India Company Act all trading principles were removed.\textsuperscript{74} The 1833 Act stipulated that the Company should close its commercial business and sell off all property that was not to be retained by government.\textsuperscript{75} The reduction in staff numbers was dramatic, with the clerical establishment cut from 200 in 1828 to just fifty-six in 1844.\textsuperscript{76}

With the prospect of compensating so many employees and, potentially, their families, the difficult decision regarding the scales of pensions had to be finalised. From the decisions made it is possible to understand how the Company viewed its relationship with employees. For example, in 1821 the Bank of England reduced its number of clerks by 174, granting employees one half of their salaries, or three-quarters if they had served for twenty years or more.\textsuperscript{77} Through a basic level of compensation, that increased in relation to length of service, the Bank was able to reward those who were considered to deserve more due to long service. In this sense it replicated the superannuation system created for civil servants. The East India Company may have had a similar number of clerks to release but with the loss of all trade they also had thousands of labourers and maritime staff to consider.\textsuperscript{78} It was a daunting task and a duty the Company’s directors found difficult:

‘Acting on the one hand as the guardian of all who have served the Company with zeal and fidelity, it became the Court of Directors to respond to the liberal disposition expressed towards their Servants, by the Proprietors throughout the discussions regarding the Charter, whilst on the other hand the Court feel themselves equally bound as Trustees for the Indian Territory to restrict liberality within the limits of what should appear to be due in justice to the pretentions of the respective claims.’\textsuperscript{79}

The Company wanted to appear benevolent and to be able to use a level of discretion, as they had with their ad hoc pensions for relieving their staff. However, they also had at least to appear fiscally responsible. The Board of Control and the government now held the purse strings and,

\textsuperscript{73} Ibid., p.492.
\textsuperscript{74} Boot, ‘Real Incomes of the British Middle Class, 1760-1850’, p.640.
\textsuperscript{75} 4 and 4 Will 4 Cap 85 Sec 4.
\textsuperscript{76} Boot, ‘Real Incomes of the British Middle Class, 1760-1850’, p.640.
\textsuperscript{78} Makepeace, The East India Company’s London Workers, p.157.
\textsuperscript{79} BL L/F/1/53, no.232 Finance and Home Committee, 5 August 1834.
although the Act allowed the Company to decide on the scale of compensation, it had to be approved by government. By February 1834, a scale of compensation pensions was decided upon for established clerks, extra clerks, writers, and a number of other grades, which paid two-thirds of their salary and emoluments for those who had served for ten years or more. Those who had served for less than ten years would receive a gratuity of between one and four years of service.\textsuperscript{80} The Company’s maritime commanders, mates, surgeons and other staff were granted a range of lump sums, and the remit of the Poplar Fund was extended to included officers who could not find employment as well as those who were sick.\textsuperscript{81} For the thousands of labourers a scale based on length of service was devised, ranging from 7s 6d a week for a labourer with under twenty years of service to 11s 6d for a labourer with thirty-five or more.\textsuperscript{82} In a similar way to the Bank of England, compensation payments involved a scale that allocated greater reward to those who had served for more than ten years. It is notably more generous than the Bank of England and considering the differing regulations for different grades, more complex.

In its simplest form the Company now had three types of pension: the ad hoc pensions, the 1813 superannuation and the 1833 compensation pensions. These were all listed in the returns to the British government, and it is striking how costly the compensation pensions were. Table 3 and Figure 2 below includes the compensation pensions for established home staff and labourers but not for the maritime staff. In 1835 over £50,000 was granted in compensation pensions to established staff and, although the cost reduced every year, it would be ten years before they were paid off.

\textsuperscript{80} BL B/187 Court Minutes, 26 February 1834, pp.469-470.
\textsuperscript{81} Makepeace, \textit{The East India Company’s London Workers}, p.158.
\textsuperscript{82} Ibid., p.161.
Table 3. Amount of £s granted in pensions.\textsuperscript{83}

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Pension (£)</th>
<th>Superannuation (£)</th>
<th>Compensation Pension for Home Establishment (£)</th>
<th>Labourers Compensation Pension (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1835</td>
<td>463</td>
<td>3240</td>
<td>54653</td>
<td>12431</td>
</tr>
<tr>
<td>May 1836</td>
<td>932</td>
<td>1873</td>
<td>8669</td>
<td>14344</td>
</tr>
<tr>
<td>May 1837</td>
<td>3019</td>
<td>1906</td>
<td>4930</td>
<td>10769</td>
</tr>
<tr>
<td>May 1838</td>
<td>1580</td>
<td>1740</td>
<td>5757</td>
<td>3887</td>
</tr>
<tr>
<td>May 1839</td>
<td>1283</td>
<td>900</td>
<td>4701</td>
<td>5573</td>
</tr>
<tr>
<td>May 1840</td>
<td>3027</td>
<td>1440</td>
<td>452</td>
<td>0</td>
</tr>
<tr>
<td>May 1841</td>
<td>2879</td>
<td>220</td>
<td>995</td>
<td>0</td>
</tr>
<tr>
<td>May 1842</td>
<td>2832</td>
<td>1123</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>May 1844</td>
<td>1151</td>
<td>1445</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

In July 1834, it was resolved that compensation pensions could be commuted into a gratuity upon an application to the Court. To be able to convert a pension into one lump payment the application would have to include:

‘first by the testimony of two persons of respectability to the effect that there is a reasonable prospect of the sum of money being more serviceable to the applicant & his family than the annual allowance, and secondly by such medical certificates as are usually required to satisfy the messenger of insurance offices that the person wishing to insure their lives are in good health, and have no chronic or other disease tending to shorten the duration of life.’

As a result of this change in the rules, William Baker, a labourer in the Private Trade Warehouse was successfully granted a lump sum in order to move his family to Canada. For Baker the compensation was an opportunity for a new, hopefully better life and he was able to work through the Company’s elaborate system to do this. The request for references on respectability and good health could be seen as the extension of the Company’s increasing control and restrictions over employees. They had to be trusted to spend the money wisely and not swindle the Company out of more money than it would have paid through a pension by

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84 Ibid.
85 BL L/AG/30/12 Organisation of the Home Establishment, p.123.
86 Ibid., p.123.
dying early. However, it also demonstrated a level of concern for the employee’s family and dependents, and these requirements insured some level of security for them. This concern may have been real but it was not motivated purely out of benevolence. The 1833 Act had also left the Company open to claims from families of those officers affected by the loss of trade, and they were concerned about having to pay out twice. Families may have been frequently included in the ad hoc pensions in the Company’s traditional pension system, but they were not keen on having to make these payments out of obligation rather than discretion.

The 1833 Act may have instigated a new scale of payment for pensions and compensation for the redundancy or early retirement of employees, but it did not replace the formal scheme of 1813. In contrast, the British government had passed further Superannuation Acts in 1822, 1824 and 1834 that had introduced employee contributions, removed them and introduced them again respectively. By the mid-1850s, the government was once again considering the system of superannuation provision but, as the 1857 Royal Commission into Civil Service superannuation demonstrated, the East India Company was still operating a system under an Act passed more than forty years earlier. The East India Company’s superannuation scheme was extremely generous and, possibly due to the reduced number of employees, it was a system that could continue to be applied. Additionally, the 1834 compensation pensions had given the Company the option of choosing a different scale if they decided they were removing employees due to a reduction in service rather than their ability to work due to ill-health or old age. The Civil Service, on the other hand, had continued to grow in size and was subject to calls for reform as a way to combat ‘Old Corruption’ as well as increase efficiency.

1858 and the Government of India Home Establishment

Through the Government of India Act which was passed in 1858, the East India Company was absorbed into the British government and the Company was officially dissolved in 1874. Yet, despite the 1858 Act and the subsequent creation of the Government of India department within the Civil Service, the Company’s former employees and clerks were not included within the 1859 Superannuation Act. This legislation standardised Civil Service superannuation administration and scales of payment for the rest of the century, and work leading up to it had even examined the pension provisions made within the East India Company home establishments part of the Select Committee and Royal Commission created to advise Civil

87 PP 1857 Session 2 [2216], p.32.
88 For further work on this see Chapters 1 and 2.
Service superannuation reform.\textsuperscript{89} Any new recruits to the department could retire under the terms of the 1859 Superannuation Act but the officers who had been transferred remained under the 1813 East India Company Act.\textsuperscript{90}

The fact that this government department was paid for out of the revenues from India appears to mean that the department’s pension provisions went under the radar and it was not until 1875 that the issue was dealt with directly. In 1874 there had been a Select Committee examining how the revenues of India were being spent, but the Committee’s remit was restricted to the more pressing military matters. As a result, it recommended further enquiry into the issue of pensions, but was principally concerned with the civil departments based in India.\textsuperscript{91} Nevertheless, in 1875, a Bill was constructed with the aim of providing a pension for ‘certain persons’ who did not come under the 1858 or 1869 Government of India Act.\textsuperscript{92} The Bill was to combat the perceived extravagant pensions and was a formal attempt to regulate to some degree by applying the 1859 Superannuation Act to the department.\textsuperscript{93} Yet, even this met with opposition. Henry Fawcett, MP for Hackney and later Postmaster General, demanded a more rigorous inquiry into the cost of pensions on Indian revenue; he suspected the cost was larger than Parliament realised and deserved closer attention rather than a rushed Bill.\textsuperscript{94} However, there was not the support for further inquiry and the rushed nature of the Bill led to its failure. Lord George Hamilton, Under Secretary for India, later declared to the Commons that the Bill was being re-evaluated, but it did not see a further reading.\textsuperscript{95}

Problems with pensions within the home establishment for the India Office were encountered again in 1892 after a rule had been adopted forcing civil servants to retire at the age of sixty-five. It was found that this could disadvantage the officers who had transferred from the East India Company due to the different scale of payment stipulated by the 1813 Act. The 1859 Act allowed a pension increase of a sixtieth every year but, under the 1813 Act, if an employee was

\textsuperscript{89} Objection from the Chancellor of the Exchequer, \textit{Hansard}, HC Deb, 15 February 1856, vol. 140 cc870-95. References to the East India Company in the evidence of R. M. Bromley and William Farr in PP 1856 [337]. Report from the Select Committee on Civil Service Superannuation; together with the proceedings of the committee, minutes of evidence, appendix and index pp.82 and 235, Appendix IV of 1857 Royal Commission on the Operation of the Superannuation Act, p.32.
\textsuperscript{91} PP 1874 [329] Select Committee on Finance and Financial Administration of India Report, Proceedings, Minutes of Evidence, Appendix, Index.
\textsuperscript{92} PP 1875 [74] Bill to provide Pension or Superannuation Allowance for Persons employed in Home Government of India.
\textsuperscript{93} \textit{Hansard}, HC Deb, 15 March 1875, vol. 222 cc1852-5.
\textsuperscript{94} Ibid., cc.1852-3.
\textsuperscript{95} \textit{Hansard}, HC Deb, 18 March 1875, vol. 223 c70.
aged sixty-five and upwards with fifty or more years of service they could receive a sum not exceeding their whole salary and emoluments. The new rule was deemed unfair as it prevented these now aged employees from earning the highest scale of the pension available to them and at the same time prohibited them from obtaining the full proportion of pension relevant to their length of service. At the time a resolution was passed to exempt the former East India Company employees from the new rule, and in 1897 the East India Company Officers’ Superannuation Bill was passed to ensure there was no confusion over what these officers could claim. By 1897 there were only twelve officers left in the service to whom the old rule applied, and it was unclear where the pressure had come from to clear any doubt and ensure that these officers would receive pensions. The matter received national press coverage in The Times but passed through parliament with little comment. By the end of the nineteenth century, the government was no longer unique in providing a superannuation for employees and in the same year the House was also debating Bills and subjects related to superannuation for railway companies, teachers, ordnance factories, and poor law officials, to name a few. MP for Flint Boroughs, Herbert Lewis, stated there were at least fifteen or sixteen under consideration during the second reading of the East India Company Bill and, by comparison, it must have appeared relatively straightforward.

The East India Company superannuation scheme, despite having its origins in government interference, was generally considered to be at arm’s length from the 1870s onwards. It was considered to belong to another time, part of an older age, when extravagant pensions were acceptable. The number of officers were so few and the perceived cost on India revenue was so little that there was no urgency to curtail the superannuation rewards and, instead, the end of the century saw an affirmation of the remaining officers’ rights to a pension.

Conclusion

In the first half of the nineteenth century, the East India Company established and maintained several generous pension schemes, some more systematic than others. These different schemes met different needs of the Company and were more than a simple act of benevolence: they were also an exercise in retaining control and power in the face of increasing encroachments

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96 PP 1897 [185] Bill to remove Doubts as to Power of Secretary of State of India to grant Superannuation and Compensation Allowances to Officers on his Establishment, p.1.
97 Ibid., p.1.
98 The Times, 5 April 1897, p.12.
99 The Times, 6 April 1897, p.8.
from the British government. Legislation was used to wield control over the Company’s trade and financial interactions with the outside world but, through the pension payments for its employees, the Company managed to maintain some degree of autonomy and control.

Since the 1859 Superannuation Act met the need for the British government to have a system that brought traditional and modern ideas together, the East India Company’s multiple systems met their multiple needs to satisfy government but maintain their traditional ways of working. The 1859 Civil Service superannuation promoted new ideas aligned to radical reform and rejected notions of ‘Old Corruption’ and the Civil List, but it also reaffirmed the role of loyalty and service for financial reward. The move for change had come from radicals within government but also from the civil servants themselves. Matters were markedly different at the East India Company: change was initially enforced through government legislation to regulate pension payments, but simultaneously resisted through the sustained use of ad hoc pension payments. The Company would gradually install money saving measures through how it managed it staff, but it did not fully embrace the superannuation system for employees as a replacement for all pensions. It did not even manage the new superannuation system as an entitlement for staff as demonstrated by the experience of Charles Lamb. In a letter to a friend, Charles Lamb described his anxiety surrounding his pension application:

‘The grand wheel is in agitation that is to turn up my fortune; but round it rolls, and will turn up nothing. I have a glimpse of freedom, of becoming a gentleman at large, but I am put off from day to day. I have offered my resignation, and it is neither accepted nor rejected. Eight weeks am I kept in this fearful suspense. Guess what an absorbing state I feel it. I am not conscious of the existence of friends, present or absent. The East India Directors alone can be that thing to me, or not. I have just learned that nothing will be decided this week. Why the next? Why any week?’¹⁰⁰

The Company had a formal system of superannuation, imposed by government, but it still wielded its power over employees to make the process appear discretionary. They may have had formulas to determine the scale of superannuation payments, but the decision still lay with the Court of Directors in a bid to disguise an *entitlement* as a *gift* and to ensure workers remained subordinate. The importance of managing its own pension systems was reinforced in the 1830s when an attempt by the Board of Control to take over the administration of pensions was rejected, but yet another type of payment was added to the Company’s pension lists

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through compensation pensions. At every hurdle the Company fought to maintain its control and autonomy in the administration of pensions.

By the end of the nineteenth century, even though the Company had been dismantled in 1874, a level of autonomy had been maintained for the few remaining employees who had transferred from the East India Company to the Civil Service. These civil servants were viewed as too few and too old to alter their pension allowances and the Act in 1897 removed any doubt and concern over the provision of pensions for the former East India Company officers. Becoming civil servants gave them greater certainty that they were entitled to a pension, but their status as East India Company men made them an anomaly within the Civil Service. The Civil Service superannuation may have brought together old and new ideas of what a pension was, but the East India Company fought to maintain older traditions by using multiple systems and keeping control of when and how they were granted.
Chapter 3:
The Challenges of Government Standardisation: Pensions and the Post Office in the Nineteenth Century

‘In 1867 I made up my mind to take a step in life which was not unattended with peril, which many would call rash, and which, when taken, I should be sure at some period to regret. This step was the resignation of my place in the Post Office … I had determined some years previously, after due consideration with my wife, to abandon the Post Office when I had put by an income equal to that pension to which I should be entitled if I remained in the department till I was sixty. That I had now done, and I sighed for liberty.’

Anthony Trollope, An Autobiography, 1883

Anthony Trollope is possibly the most famous employee of the Victorian Post Office. Over the course of his thirty-three-year postal career he published many popular literary works, including the Barchester Chronicles, whilst also building a reputation as an acclaimed public servant. In his role of surveyor, he oversaw and improved the postal networks in Ireland and is credited with introducing the letterbox to Britain. However, despite his long service Trollope left the Post Office without a pension. In 1867, at the age of fifty-two and in good health, Trollope took the decision to resign his position to focus on his literary career. The extract from his autobiography above illustrates the difficulty in making this decision and the years of planning it had taken.\(^1\) The loss of a pension was both a great financial and emotional burden.

Trollope was a vocal critic of the shift from patronage to merit in the recruitment and promotion of civil servants.\(^2\) With regard to this view, Patrick Joyce describes Trollope as being part of the ‘old mentality’, working and writing at a time of ‘conflict, and rapprochement, of old and new rationalities of governance’.\(^3\) It is therefore notable that Trollope did not pass any comments relating to the new superannuation system enacted in 1859. In a 1861 lecture

delivered at the General Post Office on the subject of the Civil Service as a profession, Trollope heavily criticised the use of examinations and the prospect of older loyal servants being left behind due to the promotion of their younger, more knowledgeable, counterparts.\(^4\) In his lecture, Trollope also criticised the sinecurist, as ‘a contemptible fellow’, but was careful in how he defined him.\(^5\) For Trollope a sinecurist was a man who took pay without giving anything for it; however, if he was receiving payment following past services, he was a ‘pensioner’, a status that did not receive any criticism.\(^6\) With pensions, Trollope also appeared to sit between the two worlds of aristocratic and efficient government. He did not support the ad hoc unaccountable payments to the aristocracy but he did believe loyal service deserved remuneration. He therefore appeared to support government policy that had evolved over the early nineteenth century and, despite his sadness at not receiving a pension for his time in the Post Office, his autobiography still described the system as just and fair.\(^7\)

Trollope’s review of the operation of the Civil Service pension system within the Post Office has been echoed in the historiography. Superannuation in this period has tended to be combined with other aspects of welfare including paid sick leave, holidays and access to a medical officer—in other words, portrayed frequently as an important and rare benefit for workers. Martin Daunton celebrates these provisions, suggesting that the welfare conditions at the Post Office ‘freed the worker from the worst insecurities of existence: irregular employment at low wages, old age and ill-health’.\(^8\) Duncan Campbell-Smith lists the 1859 Superannuation Act as adding to ‘a range of privileges scarcely available to the working man anywhere else in the economy’.\(^9\) It is true that few nineteenth-century employments offered these types of provisions, particularly for the range of employees found in the Post Office and, as Alan Clinton notes, this would have helped to ‘create the stability and discipline necessary for the laborious and repetitive tasks that kept together a system whose like has never been seen since.’\(^10\) Clinton’s analysis not only focuses on the use of these benefits to improve the health and wellbeing of the workforce, but also as a mechanism to control it.

Nevertheless, Daunton’s work makes it possible to appreciate a more ambivalent attitude from postal employees towards their pension, particularly when utilised by the authorities in an

\(^4\) Trollope, ‘Civil Service’, pp.214-228.
\(^5\) Ibid., p.218.
\(^6\) Ibid.
\(^7\) Trollope, Autobiography, pp.253-254.
attempt to regulate employee behaviour. For example, the Treasury rejected a call for higher wages in Manchester, Liverpool and Birmingham in the early 1870s since they believed ‘that the forfeiture of Pensions may be relied on to prevent a strike’. They were proved wrong: strikes followed in Warrington and Huddersfield.\textsuperscript{11} Despite the importance attributed to many of the employment benefits by officials, the Post Office employees’ priorities were nearly always higher wages and workers may have been sceptical of these extra benefits.

In Chapter one it was established that the creation of the 1859 Superannuation Act was an attempt to realign two worlds and rebalance the relationship between government and civil servants for the modern world. By removing contributions and creating a pension system based on loyalty and service MPs were advocating a financial relationship that had greater similarities to the Civil List than the ideologies of self-help. However, as the parallel pension and superannuation schemes seen in the East India Company in Chapter two demonstrate, the more modern superannuation system did not meet all the needs of the employers who found value and flexibility in more traditional methods. Furthermore, as Charles Lamb demonstrated, even receiving this generous pension provision did not guarantee an employee’s happiness in retirement.

In this chapter, an examination of the pension and superannuation provisions of what was to become the government’s biggest department clarifies the limitations of the 1859 Superannuation Act. The Post Office had always operated under a centralised administration, but until 1859 the provision of pensions was generally very localised and funded in a variety of ways. These earlier systems were not necessarily as stable as the one introduced by the Superannuation Act of 1859, nor did they produce a sense of entitlement amongst employees. However, they were more often based on employee relationships and they could empower employees by giving them a greater role in their administration. The Act of 1859 not only put pension provision at the mercy of the faceless Treasury, where decisions were a mix of systematic equations with discretionary deductions with no room for negotiation, but it also installed a system that left the lowest paid workers with very small pensions. The 1859 Act may have intended to encourage traditional relationships based on close ties between government and loyal servants but, in practice, across large and low paid departments, this was not possible. As a result, many of these government pensioners became reliant on their families, charitable organisations or insurance schemes for support into old age. For the many workers

\textsuperscript{11} Daunton, \textit{Royal Mail}, p.224.
who fell through the net, a system based on loyalty and service was not appreciated or useful, and systems based on need were still important to fill the gap, seen through the development of the Rowland Hill Benevolent Fund. Potentially, the biggest benefit of these pensions was the status that came with them, as employees could list themselves as a ‘superannuated postman’ at a time when occupational identities were of increasing importance. The 1859 Act was a mixed blessing for Post Office employees, but it did achieve one aim—sustaining a relationship between employer and employee post-retirement, providing a title for those no longer working and a sense of respectability.

**Pensions before the 1859 Act**

Prior to the 1859 Superannuation Act the majority of Post Office employees were not able to claim a pension from their employer. The previous superannuation Acts had entitled only those employees based in London, Edinburgh and Dublin to a pension, and even this regulation varied according to grade. As a result, a variety of schemes that tended to be localised and financed through a variety of fees charged to the public or another employee were the predominant feature of postal pension provision in the early nineteenth century, if any existed at all.\(^{12}\) The nature of these arrangements makes them hard to trace and document, but the records do reveal some details. Many of these systems of financial provision were reliant on the relationships between employees or with the local administration. This meant that discretion could be used as a basis to distribute money, with decisions based on the details of a person’s need. They could be ad hoc or a defined system with distinct incomes but, without central government backing, most of these systems were limited and could not survive the changes to Post Office administration in the nineteenth century or the introduction of the 1859 Act.

One of the oldest methods of providing financial support in pensions came from a direct arrangement between two employees. The Commission on Fees in 1785 demonstrated that some roles in the eighteenth- century Post Office were filled by the succeeding person paying his predecessor part of his salary—in effect replacing any formal pension.\(^{13}\) This practice had been formally condoned by the government in 1684 when the Treasury installed a similar

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\(^{12}\) PP 1857 Session 2 [2216] Report of commissioners appointed to inquire into the operation of the Superannuation Act discusses the inequalities of the previous systems within the Post Office, pp.vii and xxvi.

provision for landwaiters in the Port of London who had to retire due to illness. Sir Norman Chester argues that prior to 1780 it was accepted that an office ‘constituted a form of property’ and consequently it could be used to provide an income in old age. Notably, he suggests that the practice was more persistent in the Post Office, where officers continued to make ‘private bargains’ with their successors to provide for their old age, even when the practice had become unpopular.

This persistence can be seen within a superannuation fund specifically for the London letter-carriers, established in 1807, and maintained from fees accumulated from a new early morning delivery as well as Christmas gratuities and other sources. From a short history of the fund written by Post Office Secretary Francis Freeling in 1831, it is clear that these fees and payments were effectively paying the wages of the letter-carriers with the surplus being used to supply them with a superannuation fund. Trouble for the fund came when the delivery of letters in the metropolis was reorganised, the fees were no longer being collected but the superannuation expenses still needed to be paid. Freeling noted that in 1831 there were twenty-four superannuated letter-carriers on the fund, but there were also two additional letter-carriers plus the inspector of letter-carriers to be compensated for managing the administration of the fund. In the 1830s, the fund was running in deficit and by the 1840s the letter-carriers were petitioning to stop paying into the fund. It is unclear if contributions from their salaries were introduced to keep the fund afloat, or if letter-carriers saw the use of Christmas gratuities and other such payments as deductions from their wages.

From 1793, the government had begun to introduce reforms to move away from fees to a system of salaries; yet this hostility to fees did not apply to this source of revenue for the Post Office letter-carriers. It is easy to believe that similar funds may have existed in other parts of the country prior to the introduction of the uniform penny post in 1840. Previously, people were expected to pay on the receipt of a letter, which meant that letter-carriers and messengers were often taking money or ‘fees’ from the public. The penny post fundamentally changed how people paid for post and quite possibly removed opportunities for this type of fund.

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14 Ibid., p.34.
16 Ibid., p.18.
17 *Postal Museum POST 30/62 Letter-carriers superannuation fund*.
18 The twenty-four superannuated letter-carriers cost the fund £405.1.0 and the compensation for managing the fund cost £34.5.0; in 1831, this saw the fund running at an annual loss of £102.16.0. *PM POST 30/62 Letter-carriers superannuation fund*.
19 Ibid.
Furthermore, these types of funds allowed a level of involvement and management from even the lowest paid and lowest ranking staff. Although decisions were taken by the Postmaster General and communication maintained with the Treasury, the early nineteenth-century London letter-carriers assisted in the management and administration of their fund, and this provided a supplement to their wages. This was criticised in 1836 by the inspector of letter-carriers, Frederick Kelly, as he argued that they were paid too much and this payment was ‘instrumental to the exhaustion of the Fund’.\(^\text{20}\) The financial management and administration of the fund may have been a focus for criticism, but essentially the superannuation fund was a secondary product from surplus revenue of fees and, consequently, following changes to the operation of the Post Office in the 1830s and 1840s, the fund was no longer sustainable. Despite this, the central administration attempted to maintain the fund for as long as possible—that is, until the letter-carriers themselves petitioned for its removal.

The letter-carriers’ superannuation fund was not the only fund maintained by fees. This method was also used to provide support for widows and orphans. In 1841 there were several applications to the Postmaster General and the Treasury on behalf of widows, including Mary White, widow of a letter-carrier from Dublin, whose husband had been receiving a pension from the ‘Fine or Suspensions Fund’.\(^\text{21}\) According to the Secretary of the Post Office, this Fund had originated forty years earlier under the sanction of the then Postmaster General of Ireland. It was maintained by fines imposed upon mail coach contractors, mail guards, letter-carriers and others in the office for irregularities and was used to make small payments to the widows of this inferior class of officers. The fund had run smoothly until approximately 1828, when receipts of fines started to fall and many payments were discontinued, including that to Mrs White. The consolidation of the British and Irish offices in 1831 brought an end to the Fund altogether. It was felt that ‘the petitioners has no claim on this Department’ and, consequently, Mrs White was refused her plea.\(^\text{22}\)

Unlike the case of the London letter-carriers fund, there was little attempt from central administration to keep this fund alive. The abandonment of women like Mrs White illustrates the increasing reluctance to support employees’ families as the government tried to move away from ideas associated with the Civil List and ‘Old Corruption’. Furthermore, as the fund was financed through fines and not through the work of employees,

\(^{20}\) Statement, 9 November 1836, in PM POST 30/62 Letter-carriers superannuation fund.

\(^{21}\) PM POST 1/59 Treasury Letters, March 1841-October 1842.

\(^{22}\) Ibid.
like that of the London letter-carriers, there was little workers could do to sustain or champion the fund, even if they wanted to.

Nevertheless, workers and families were also able to find financial support through unofficial funds and collections arranged by postal staff. Civil servants were not officially allowed to organise benefit societies or unions, but by studying investigations related to disciplined officers, it is clear that postal employees would band together to help those they perceived to be in need. This attitude was exemplified in the circumstances surrounding the dismissal of the sub-sorter Thomas Mitchell in 1846 and the letter-carrier Robert Grapes in 1847, in addition to a subsequent investigation into the Post Office letter-carriers and sub-sorters.\(^\text{23}\) The investigation was designed to determine if a conspiracy existed among these lower levels of the Post Office; far from uncovering anything sinister, however, it revealed that a number of collections or raffles had been organised for the benefit of Thomas Mitchell and other workers who were suspended or dismissed without pay. The report concluded that no conspiracy existed, but postal and government officials were displeased that workers were organising ways to support colleagues in times of need, since it discredited their attempt to punish them by removing pay.\(^\text{24}\) Due to the hostility towards this type of behaviour, it is not surprising that there is no concrete evidence of Post Office benefit and friendly societies in the UK, yet, this small episode suggests that postal workers were organising small and unofficial groups similar to the large benefit and friendly societies to provide similar assistance for workers and their families.\(^\text{25}\) This example obviously focuses on an employee being disciplined, but it is possible that workers would have done something similar for an elderly colleague or deceased colleague’s family in need of help.

Alongside the various unofficial and small-scale funds and financial relationships, there were a small number of employees that were permitted to apply for a government pension prior to the 1859 Superannuation Act.\(^\text{26}\) Employees based in London, Edinburgh and Dublin could pay contributions towards a fund as stipulated in the 1829 Treasury Minute, and later formalised

\(^{23}\) PP 1846 [607] Post Office. Copies of all memorials, reports, and communications, relative to the dismissal of Thomas Mitchell from his situation of sub-sorter at the General Post Office; and of the evidence given by him before Mr. Peacock, on the 8th & 14th May, and 15th, 18th, and 20th July 1846. & PP 1847 [744] Robert Grapes. A return of papers, reports, communications and correspondence among the Post Office authorities, relative to the dismissal of Robert Grapes, late a general post letter-carrier.


\(^{26}\) PP 1857 Session 2 [2216], p.vii and Postmaster General Annual Report 1871 thought it was just London officers, p.24.
through the 1834 Act. One exception to this rule concerns the letter-carriers based in these cities who were deemed to earn too little to pay a contribution but could still claim a pension. No-one outside of London, Edinburgh and Dublin was eligible and the number of applications to the Treasury was very low. The 1856 Select Committee included evidence of every post office clerk who had been appointed after August 1829 and left before April 1856. Out of 491 employees the vast majority resigned of their own accord or were dismissed. Remarkably, only ten were pensioned, whereas eighty-five had died in service.27 This trend was echoed for the lower paid officials, where the ‘mechanical’ workers (including letter-carriers and sorters) from London, Dublin and Edinburgh were predominantly recorded to have resigned or died in service rather than receiving a pension in the five years prior to December 1853. In London, 206 ‘mechanical’ staff resigned or left by other means, whereas only thirteen received a superannuation and 106 died in service.28 The figures were less dramatic in Dublin and Edinburgh as there were less staff members, yet it was still evident that a worker was far more likely to resign from service—forty-two from the Dublin office and nineteen from Edinburgh— when compared to those who were pensioned—only eight from Dublin and four Edinburgh.29 The deaths in service were also quite low with only eight deaths in the Dublin office and five from Edinburgh reported.30 In the majority of cases, whether staff paid into the superannuation system or not, it appeared that many were more likely to resign, or, if in London, work until their death, rather than seek a pension. Of those clerks who applied for a pension all of them had worked for over twelve years, even though the 1834 Act only asked for a minimum of ten years, and half of them worked for over seventeen years which took them up the scale to four-twelfths of their salary rather than the minimum of three-twelfths.31 The unfair nature of this jumping scale is seen through the example of an employee pensioned after sixteen years and eleven months. W. S. Cox, from the Circulation Office, was on the cusp of moving up the pension scale. However, due to ill-health or a lack of knowledge of the regulations, he stopped work a month before his pension was due to increase by a twelfth.32 There were also a large number of employees who died in service having worked over ten years and it is not possible

27 1856 [337] Report from the Select Committee on Civil Service Superannuation; together with the proceedings of the committee, minutes of evidence, appendix and index, pp.362-369.
28 Ibid., p.379.
29 Ibid.
30 Ibid.
31 Ibid., pp.362-369, and copy of the 1834 Act as Appendix to 1857 Session 2 [2216], p.36.
32 1856 [337], p.369.
to know the exact reasons why these men continued to work though eligible for pension, but there is a chance that, for many, work was more attractive than retirement.

Looking at the pension applications for 1841, two things become clear. First, these pensions were not pursued to a great extent and, secondly, there was some flexibility in the system since workers outside of London, Dublin and Edinburgh applied for support. In 1841 there were a total of twenty-three applications for pensions and an additional nineteen notifications of deaths of current pensioners. These applications were not all on the Superannuation Fund and included requests for compensation following the death of a relative who worked at the Post Office. The majority of the applications in 1841 were from letter-carriers (nine out of twenty-three) which is probably a reflection of the larger numbers of employees in this role. Furthermore, contrary to the details of the rules of pension applications detailed in the Royal Commission report of 1857 and the Postmaster General report of 1871, as well as the evidence supplied to the 1856 Select Committee, not all of these applications were from employees based in London, Edinburgh or Dublin. The records for 1841 include applications for superannuation from a mail guard from Birmingham, a clerk from Glasgow, gratuities from a messenger from Carrigallen, and a postmistress from New Windsor.\(^{33}\)

From the records it is unclear whether these workers were given an allowance or payment, but it is notable that they applied in the first place: it was a process that had to be endorsed by the Post Office Secretary. The unusual nature of the application from a clerk in Glasgow was highlighted by the Secretary’s accompanying letter to the Treasury:

‘I beg to return the memorial the Lord Provost and Magistrates of Glasgow transmitted to me on the 15th Instant recommending Mr Mack Haliburton formerly a Clerk in the Post Office at that city for a superannuation allowance and to refer your Lordships to my Report (copy enclosed) of the 15th July 1839 upon a similar memorial. On that occasion I explained that it never has been the practice to grant superannuation allowances to County Postmasters or their clerks, but recommended the case as a proper one for the Exercise of the Royal Bounty, and under that recommendation a sum of £100 was granted.’\(^{34}\)

\(^{33}\) PM POST 1/55 Treasury Letters (November 1840-February 1841), PM POST 1/56 Treasury Letters (January-June 1841), PM POST 1/57 Treasury Letters (April-August 1841).

\(^{34}\) PM POST 1/56 Treasury Letters (January-June 1841).
It appears that the previous success from the Glasgow office encouraged the postmaster to recommend another employee for superannuation, perhaps understanding the important precedent it had set.

The employees at the Post Office had access to a range of systems and schemes designed to support those in retirement and need. However, most of these schemes were not official and could not be assumed to cover all post offices around the country. Furthermore, they were susceptible to changes in how the service was administered and financed and, since the Post Office reformed through the penny post and other innovations, many of these older systems were not sustainable. A number of employees were eligible for the formal government superannuation but the uptake was minimal, with many more employees dying in service than applying for the pension. The ‘jumping’ pension scale may have pushed many to work for longer in the hope of obtaining a larger pension, or due to lack of information on the pension regulations, or perhaps just a feeling that the pension was not large enough to live on. In any case, there is evidence that postal officials attempted to circumvent the rules to help and support employees outside of London, Dublin and Edinburgh through the official system; although there is little evidence to suggest they were always successful. It is possible that the more informal and unofficial provisions provided better assistance for employees in old age because they could be personalised and tailored to need based on closer relationships and more information.

The 1859 Superannuation Act and the Post Office

The 1859 Superannuation Act was designed to stop anomalies and standardise pension provisions across the Civil Service, but whether these changes were welcome is questionable. The reform was framed around a move away from the Civil List and ‘Old Corruption’; however, sinecures and placemen would have been a far cry from the everyday life of the numerous letter-carriers, sorters, clerks, postmasters and postmistresses across the country. At this time, the postal service was also changing radically and the traditional methods of welfare cultivated by workers, such as using fees, were no longer feasible. Superannuation was born out of the growing Civil Service bureaucracy and was often used to justify keeping salaries low, but for a department where pay was a recurring grievance throughout the century, it is interesting that the value of a pension system based on a fraction of salary was never questioned. To parliament the removal of contributions and the extension of the entitlement of superannuation payments were part of ensuring a working relationship based on loyalty and
service, but through examination of the pension applications made by some of the lowest paid civil servants it is clear that the pension meant something distinctly different to them.

![Figure 3. Number of Permanent (on the establishment) Employees at the Post Office from Postmaster General Annual Reports](image)

The debates surrounding the extension of pension entitlement within the Post Office have clear significance when looking at the dramatic increase in the number of employees in the years between 1830 and 1900. This was not only due to the expansion of the postal service through innovations like the uniform penny post, but also to the growth of the Post Office’s remit and changes in practice which could not have been foreseen in the 1850s. New departments and services were created and amalgamated including the Money Order department, the Savings Bank and the domestic telegraph network, thus requiring new staff with new skills. Furthermore, the railways changed how the mail was delivered and sorted, removing and developing employment roles. For example, by the 1870s the number of mail guards had dropped to only twenty-eight when there had been over 200 in 1859. As a revenue department, the government kept a keen eye on developments within the Post Office and at

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35 The figures taken from the Postmaster General Reports are not all precise as the reports list the values of permanent staff differently over the years. They sometimes include everyone on the establishment, or occasionally exclude Postmasters or sub-postmasters. I have included where possible all established employees including Postmasters and sub-postmasters.

36 The Money Order office was initially set up in 1792 and was overseen by Post Office clerks but was not officially recognised as a branch of the Post Office department until 1838. See Treasury Commission history and PP 1854-55 [1913] First report of the Postmaster General, on the Post Office, p.17.

least eight detailed reports were conducted by committees or commissioners alongside a large number of returns and departmental reports delivered to the Treasury and parliament between 1830 and 1900. The ‘Return of the Post Office in London, Dublin and Edinburgh’ from 1834 does not give any details of the ‘inferior staff’, which included the sorters and letter-carriers, but does give the figures for the more senior staff, from the Postmaster-General to the senior clerks, and the General Post Office London, the largest Post Office in the country with 207 employees. By 1845, the changes in the Post Office’s service instigated by Rowland Hill saw a moderate growth in employees. The General Post Office in London employed 459 staff, excluding the sub-sorters and letter-carriers (840 including these ‘inferior’ staff). This was due to the addition of the large Money Order Office, the smaller Solicitor’s Office, and the increase in the Inland Office and Secretary’s Office.


40 PP 1845 [72] Post Office. Return of all persons employed in the General Post Office in London and in Dublin; with the date of each appointment, nature of the duties, amount of salary, and fund from which each salary is paid. These figures also exclude the employees given for the London District Post Office as opposed to the General London Post Office.
Table 4. Number of established and unestablished staff employed by the Post Office from the Postmaster General Reports

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<th>No. of established staff</th>
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<td>44,000</td>
<td></td>
<td>1897</td>
<td>65,842</td>
<td></td>
</tr>
<tr>
<td>1876</td>
<td>45,024</td>
<td></td>
<td>1898</td>
<td>71,842</td>
<td>88,100</td>
</tr>
</tbody>
</table>

The annual Postmaster General Reports provide the most regular account of the number of employees in the Post Office; yet, as can be seen from Table 4, above, even these reports were not consistent. The Postmaster General’s first annual report, delivered in 1854/5, numbered the staff attached to the Chief Office in London as approximately 2,500 out of a total of 21,574 Post Office employees. This growth appears to be down to the extension of the Post Office Inland service and the large number of postmasters (the people in charge of the post offices across the country), totalling nearly 10,000, the largest category of employees in the department and closely followed by the letter-carriers who numbered closer to 9,000.\textsuperscript{41} By 1872 this had

\textsuperscript{41} PP 1854-55 [1913], p.20.
increased to 38,000, including 9,000 employees engaged in telegraph work, a new service absorbed by the Post Office in 1870. From this point the Post Office continued to grow at a substantial rate, claiming 63,868 employees by 1890, but with the addition of unestablished staff (those not in full-time employment) the number totalled 117,868. By the end of the century the number of employees was a staggering 159,942 (of which 67,832 were established and a remaining 71,842 unestablished). Figures for unestablished staff and female employees began to appear from approximately 1884 and are significant in portraying the growing presence of these ‘inferior’ groups. Women had been employed by the Post Office in increasing numbers following the nationalisation of the telegraph in 1870: the majority were unestablished, part-time workers, but women were increasingly present in full-time clerical or telegraphist roles. The department celebrated their supposed aptitude for working in one place doing one monotonous task and, pointedly, could pay them less than men for doing the same job. Women’s ‘inferior’ status was further justified with the implementation of a marriage bar from 1876, which forced women to leave the service upon getting married.

According to restrictions in the 1859 Act, unestablished staff were unable to apply for a pension. This was justified by the understanding that unestablished letter-carriers and postmen were thought to work part-time and hold another job. By the 1880s the number of unestablished staff almost equalled those on the establishment, underlining how significant the decision was to apply the 1859 Act only to full-time established staff members. Furthermore, for the growing number of women employed on the establishment, the marriage bar restricted any claim to a pension. To compensate for the loss of a pension, a ‘marriage gratuity’ was introduced from the 1890s: it entitled established women who had worked for the Post Office for over six years to a one-off payment. Samuel Cohn has described this as an ‘enormous financial commitment’

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43 There had been female postmistresses before this time, but these were looked upon as unestablished staff.
45 These ‘qualities’ were described in an 1871 report to the Postmaster General and discussed in more detail in Glew, Gender, Rhetoric and Regulation, p.18.
46 Ibid., p.179.
but, as Helen Glew points out, this financial commitment was decidedly cheaper than a full pension if married women had been allowed to stay in service.\textsuperscript{47}

The regulations may have been detailed and unambiguous, but it is also evident from the pension applications that there were attempts to bend the rules for certain staff members, particularly if a temporary worker had been employed by the Post Office for a long time or was retiring due to an injury at work. Nevertheless, despite a large permanent workforce and the appearance of some exceptions, for temporary staff the uptake for the superannuation employees were entitled to is surprising low. From figures given in the Postmaster General’s annual reports, the proportion of pensioned staff to permanent staff never reached eight per cent.

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{figure4.png}
\caption{Percentage of pensioners to permanent staff in the Post Office.\textsuperscript{48}}
\end{figure}

From Figure 4, above, we can see there was a steady increase after the 1859 Act, but also a notable drop in 1871. This drop is probably due to the spike in employment at the Post Office with the nationalisation of the telegraph, rather than any dramatic decline in pension applications. As the data between 1871 and 1883 was not recorded we are unable to tell if this drop was sustained or quickly recovered; however, comparing the number of applications from 1861 and 1891 the rate appears to be consistent. In 1861 the total number of permanent established staff working in the Post Office was 25,473; in 1891 the total was 68,231.\textsuperscript{49}

\textsuperscript{47} Ibid.
\textsuperscript{48} The figures are taken from the Postmaster General Reports. Between 1871 and 1899 the only years the report mentions the number of pensioners is 1883 and 1886.
1861 the 180 nominations equate to just 0.71% of the workforce, which is similar to the same calculation for 1891 which equates to 0.68%. Although the data suggests that uptake was low, without more details relating to the turnover of employees or even the ages of the workforce it is fairly inconclusive.

When we look in more detail at the conditions under which postal staff were retiring it appears that many workers put it off for as long as possible. Within the details of the 1859 Act, it was stipulated that an employee was entitled to a pension from the age of sixty and after ten years of service. The percentage of their pay increased with the number of years they had worked for the Post Office, but the Act suggested they were encouraged to retire after their sixtieth birthday and after 1890 it was compulsory for employees to retire at sixty-five.\(^{50}\)

\textit{Table 5. Number of Employees retiring in 1861 with role, average age and length of service.}\(^{51}\)

<table>
<thead>
<tr>
<th>Category Cause of Retirement</th>
<th>Number of those retiring</th>
<th>Role</th>
<th>Average Age</th>
<th>Average Length of service (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>34</td>
<td>Rural Messenger</td>
<td>65</td>
<td>16.34</td>
</tr>
<tr>
<td>Age</td>
<td>21</td>
<td>Letter-Carrier</td>
<td>66</td>
<td>22.98</td>
</tr>
<tr>
<td>Age</td>
<td>7</td>
<td>Messenger</td>
<td>67</td>
<td>17.76</td>
</tr>
<tr>
<td>Age</td>
<td>5</td>
<td>Auxiliary Letter-Carrier</td>
<td>65</td>
<td>23.95</td>
</tr>
<tr>
<td>Age</td>
<td>4</td>
<td>Postmaster</td>
<td>68</td>
<td>27.31</td>
</tr>
<tr>
<td>Age</td>
<td>4</td>
<td>Sorter</td>
<td>66</td>
<td>30.00</td>
</tr>
<tr>
<td>Age</td>
<td>3</td>
<td>Mounted Messenger</td>
<td>64</td>
<td>18.33</td>
</tr>
<tr>
<td>Physical</td>
<td>36</td>
<td>Letter-Carrier</td>
<td>46</td>
<td>17.39</td>
</tr>
<tr>
<td>Physical</td>
<td>23</td>
<td>Rural Messenger</td>
<td>58</td>
<td>17.60</td>
</tr>
<tr>
<td>Physical</td>
<td>10</td>
<td>Sorter</td>
<td>40</td>
<td>14.34</td>
</tr>
<tr>
<td>Physical</td>
<td>6</td>
<td>Messenger</td>
<td>61</td>
<td>15.81</td>
</tr>
<tr>
<td>Physical</td>
<td>4</td>
<td>Clerk</td>
<td>35</td>
<td>12.02</td>
</tr>
<tr>
<td>Physical</td>
<td>3</td>
<td>Mail Guard</td>
<td>55</td>
<td>28.47</td>
</tr>
</tbody>
</table>

\(^{50}\) Employees being retired at sixty-five years are detailed as being ‘Under provisions of the Order in Council of 15 August 1890’.

\(^{51}\) Data compiled from PM POST 1/109 January-April 1861, PM POST 1/110 May-August 1861, PM POST 1/111 September-December 1861.
In Table 5, above, it is evident that, even though employees could retire at the age of sixty, those whose reason for retiring was age (being ‘over 60’) were, on average, in their mid- to late sixties. Furthermore, all of those retiring, whether due to illness or age, had worked (on average) more than ten years, the minimum outlined in the Act. None of the roles appear to have an average close to the maximum of forty years; in fact none of these roles appear to show a trend of working towards the retirement conditions. It could be argued that since this data is from 1861 it may be too soon after the 1859 Act was enforced to have encouraged a change in behaviour from the postal employees.
Table 6. Number of Employees retiring in 1891 with role, average age and length of service.\textsuperscript{52}

<table>
<thead>
<tr>
<th>Category Cause of Retirement</th>
<th>Number of those retiring</th>
<th>Role</th>
<th>Average Age</th>
<th>Average Length of service (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>37</td>
<td>Postmaster</td>
<td>69</td>
<td>43.38</td>
</tr>
<tr>
<td>Age</td>
<td>30</td>
<td>Postman</td>
<td>65</td>
<td>34.40</td>
</tr>
<tr>
<td>Age</td>
<td>26</td>
<td>Rural Postman</td>
<td>67</td>
<td>33.43</td>
</tr>
<tr>
<td>Age</td>
<td>11</td>
<td>Clerk</td>
<td>68</td>
<td>40.57</td>
</tr>
<tr>
<td>Age</td>
<td>11</td>
<td>Sub Postmaster</td>
<td>71</td>
<td>36.32</td>
</tr>
<tr>
<td>Age</td>
<td>6</td>
<td>Chief Clerk</td>
<td>66</td>
<td>42.08</td>
</tr>
<tr>
<td>Age</td>
<td>5</td>
<td>Postmistress</td>
<td>69</td>
<td>40.83</td>
</tr>
<tr>
<td>Age</td>
<td>5</td>
<td>Sorter</td>
<td>62</td>
<td>36.48</td>
</tr>
<tr>
<td>Mental</td>
<td>9</td>
<td>Telegraphist</td>
<td>32</td>
<td>13.25</td>
</tr>
<tr>
<td>Mental</td>
<td>7</td>
<td>Postman</td>
<td>38</td>
<td>22.87</td>
</tr>
<tr>
<td>Physical</td>
<td>69</td>
<td>Postman</td>
<td>43</td>
<td>21.38</td>
</tr>
<tr>
<td>Physical</td>
<td>36</td>
<td>Rural Postman</td>
<td>48</td>
<td>43.41</td>
</tr>
<tr>
<td>Physical</td>
<td>33</td>
<td>Telegraphist</td>
<td>31</td>
<td>13.97</td>
</tr>
<tr>
<td>Physical</td>
<td>11</td>
<td>Clerk</td>
<td>41</td>
<td>19.94</td>
</tr>
<tr>
<td>Physical</td>
<td>9</td>
<td>Overseer</td>
<td>48</td>
<td>25.93</td>
</tr>
<tr>
<td>Physical</td>
<td>9</td>
<td>Sorter</td>
<td>48</td>
<td>72.49</td>
</tr>
<tr>
<td>Physical</td>
<td>9</td>
<td>Sorting Clerk</td>
<td>29</td>
<td>12.56</td>
</tr>
<tr>
<td>Physical</td>
<td>7</td>
<td>Sorting Clerk and Telegraphist</td>
<td>34</td>
<td>13.61</td>
</tr>
</tbody>
</table>

However, data from 1891 suggests that staff were no more likely to take advantage of the minimum requirements of the Superannuation Act than in 1861. In fact, they appear to be working longer and further into old age than thirty years earlier, despite sixty-five being the compulsory age of retirement.

\textsuperscript{52} Data compiled from PM POST 1/227 March-April 1891, PM POST 1/228 May-June 1891; PM POST 1/229 July-August 1891; PM POST 1/230 September-October 1891 and PM POST 1/231 November-December 1891.
This could be because the staff were generally unaware of the provision, or that it was not made available to them. The Post Office regularly produced handbooks and instructions for staff members, but details about the superannuation scheme did not appear in them. The 1860 handbook for Manchester letter-carriers contains various instructions on what is expected of a letter-carrier whilst on duty, as well as a warning that his uniform was not his property and should be returned to the Postmaster when he leaves the service, but no details of an entitlement to a pension after certain conditions.\(^5\) This may have been because this document was produced very specifically for Manchester and the duties related to that area; however, in a more general handbook of ‘Instructions to Letter Carriers’ produced in 1869 there is also no mention of the superannuation scheme. There is a reference to life insurance provisions that had been established for staff, but not superannuation.\(^5\) In contrast, an earlier book of instructions from 1850, nine years before the Superannuation Act, instruction No. 22 stated:

‘As an incentive to good conduct, the Postmaster General is authorised to grant superannuation allowances to those letter carriers who are disabled by accident or infirmity after long and faithful services’.\(^5\)

This is a very vague statement with no fixed details of the length of service required, exactly what qualified as a ‘long and faithful service’, how much these allowances equated to or the procedure for securing this superannuation allowance. It also describes the superannuation as an ‘incentive’, not an entitlement (once certain conditions were met), and many letter-carriers may have interpreted this type of benefit as a perk for the few, rather than a right for all full-time staff. This instruction highlights the significant change the 1859 Act was supposed to bring into place, but the absence of any similar instruction in later books is marked and suggests that the Post Office officials may have wanted to keep superannuation as an incentive rather than publicise it as a right.

The superannuation as incentive rather than entitlement fits the lens through which many nineteenth-century postal workers viewed their welfare benefits—as a mechanism to control behaviour rather than meeting a need within the workforce. In the early nineteenth century, threats of discipline could be relied on as a powerful method of control. However, the removal of corporal punishment for the stealing of letters in 1835 marked the beginning of a change in approach. Emphasis was put on the control of behaviour and appearance instead of the threat.

\(^5\) PM POST 68/159 Instructions to Letter-Carriers, 1869, p.16.
\(^5\) PM POST 68/158 Instructions to Letter-Carriers, c.1850.
of punishment. Although postal workers continued to be subject to ‘rough and inconsiderate’ investigation into their honesty. Military techniques, such as good conduct stripes and military drilling for boy messengers were seen in the latter half of the nineteenth century but Daunton asserts that ‘discipline in the Post Office was in fact not militaristic’; instead, he argues that it rested upon a ‘bureaucratic rationality of career progression and benefits’. So, the stripes were framed around ideas of promotion, demotion (if removed) and pay increments; equally, uniforms and the promise of pensions were used as a replacement for pay rises. Writing in 1872, the Postmaster General outlined this belief clearly in his annual report. He felt that the Post Office workers’ complaints about low pay were unfounded and that the public suffered under a misconception that the ‘money payment’ indicated ‘the whole remuneration’ where in fact he believed ‘that the officers and their families are in a better condition than they would be if the contingent benefits were exchanged for higher pay.’ Nevertheless, for many letter-carriers good conduct stripes did not fit with notions of promotion for merit or the employment structures that had been established for decades; moreover, they were not answering the call for higher wages. In 1872 the men of the South Western District protested against the introduction of the stripes, shouting ‘Buttons and stripes won’t feed our children, it’s all favouritism’; and, in 1874, the London offices petitioned against the use of the stripes. For the workers this type of system was a gimmick, a way to avoid increasing their salaries. Another benefit that became integral to the pension system and was often celebrated by the authorities but questioned by the workers was the medical examination. First suggested in 1854, medical examinations were introduced ‘to ascertain that the candidate has no physical or mental defect or disease which is likely to incapacitate him for the public service’; and from autumn 1856 letter-carriers were being dismissed during their probation periods due to ‘developing a disease’. It took some time for the practice to spread throughout the service, but once installed applicants could be refused on account of a medical condition or disease. This was significant for the superannuation system as the Post Office was able to employ the healthiest workers available to them and so reduce the risk of high costs of sick pay or superannuation allowances. The Postmaster General’s report for 1870 openly celebrated the

56 Clinton, Post Office Workers, p.45.
57 Daunton, Royal Mail, p. 212.
58 Uniforms were used to replace a pay rise in order to appease rural letter-carriers in 1872. See Clinton, Post Office Workers, p.47.
59 PP 1872 [C.645], p.19.
60 Clinton, Post Office Workers, pp.51 and 124.
61 PM POST 64/23 Probation and Medical Examinations: Report of Committee, 22 May 1894, pp.1-2.
health of the Post Office’s pensioners, attributing the average age of retirement at sixty-three in Scotland ‘to the healthiness of that part of the country’. 62 Although the average ages of retirement in England and Ireland were lower—fifty-seven and fifty-nine respectively—the Postmaster General notes that the oldest pensioners in each division were eighty-one and eighty-two in England, seventy-two and seventy-three in Scotland and seventy and seventy-four in Ireland. 63

In addition to giving approval for retirement on the grounds of ill-health, medical officers were frequently tasked with visiting sick workers in their homes and administering care and medication where necessary. 64 Through this provision postal workers were given access to medical treatment they would not have been able to afford otherwise and they also benefited from the medical officers’ recommendations concerning the improvement of working conditions. For example, the first medical report suggested increasing ventilation in the basement for the messengers’ kitchen and in 1872 the medical officer recommended vaccinating all employees against smallpox, whether they had previously suffered from the disease or not. 65 However, for postal staff the duties of the medical officer felt intrusive and unnecessary: medical officers were seen as ‘medical police’ and, if they were not looking for reasons to dismiss a worker on probation due to a concealed illness, they were looking for those who feigned or exaggerated illness to get out of work. 66

The paper forms that had to be completed to apply for a pension also brought together a number of aspects deemed to be controlling the behaviour of employees. As part of the application for a pension, the Post Office Secretary had to complete a form on the worker’s behalf that required details related to their employment history. This comprised of the number of sick days, amount of annual leave taken, changes to their job role including promotion and any other benefits received such as good conduct stripes, a uniform or anything else that could be attributed a value. Patrick Joyce has discussed the use of the ‘form’ within the Post Office to ‘simplify and standardise’, it was a bureaucratic tool that could distil information making it ‘plain and

63 Ibid.
64 For further discussion of the role and work of the Post Office’s medical department, see K. McIlvenna, D. Brown and D. R. Green, ‘“The Natural Foundation of Perfect Efficiency”: Medical Services and the Victorian Post Office’, Social History of Medicine (2019, forthcoming).
66 Evidence from Hobhouse Committee in 1906, in Clinton, Post Office Workers, p.47.
Pension applications could compress a long and complex career into a few elements of good and bad behaviour, with a final calculation made based on those factors.

However, the Treasury could also make deductions from the final pension relating, for example, to occasions when an officer had to be disciplined or to the fact that they had taken a large number of sick days. William Johnston King, a postman in Annan, Scotland, applied for a pension in 1891 at the age of forty-three after twenty-three years of service. Suffering from ‘atrophy of right arm’, he had his allowance deducted due to the number of sick days he had taken. King had effectively been off sick since March the previous year, clocking up 284 sick days. Despite his good conduct stripes, the Treasury deducted a year’s worth of service in the calculation for his allowance, which reduced his pension by a pound a year. Absences were routinely penalised, regardless of an employee’s health or their reason for retirement, and the Treasury’s decision was final. Mary Agnes Kirwan, a telegraphist in Dublin, was retiring due to ‘general debility’ at the age of thirty-nine after nineteen years of service. She appealed against the deduction of a year’s allowance from her pension relating to absences over the course of ten years, but this was quickly rejected.

The Treasury also made decisions based on the moral behaviour of the Post Office staff. In 1891 Thomas McCord, a postmaster in Strabane, Co. Tyrone, was retiring at the age of forty-eight after an astounding thirty-seven years of service due to a weak heart and lungs. The Secretary’s statement accompanying the application detailed that Mr McCord had been disciplined the previous year due to him ‘having given way to habits of intemperance’; the secretary added that ‘these habits the Postmaster General regrets to state, have not since been abandoned’.

There appears to have been a reconsideration of the final part of the statement and the application was eventually sent without this addition. However, even without the suggestion that McCord was still drinking, the Treasury asked for ‘a further medical certificate stating whether in the Medical Officer’s opinion the ill-health which obliges Mr McCord to retire is connected in any way with the habits of intemperance on account of which he was recently suspended from duty’. McCord had enjoyed an illustrious career with the Post Office, rising from a telegraphist to postmaster, but on account of his drinking he lost £28 a

68 PM POST 1/227, Treasury Letters March-April 1891, p.597. Including allowances William King earned £59.18.3 a year or 14,391 in pence. 23/60 of this is 5516.55 pence or £22, 19 shillings, William King was given an allowance of £21, 19 shillings and 9 pence.
69 Ibid., p.619.
70 PM POST 1/229 Treasury Letters July-August 1891, p.420.
71 Ibid.
year from his pension.\textsuperscript{72} John Chambers, a telegraphist in London had his gratuity reduced as he was retiring at the age of twenty-seven after four years of service due to chronic syphilis, a condition that was deemed to have been `within his own control’ to prevent.\textsuperscript{73} In this sense, the pension form was the final act of control—the day of judgement when the conduct of a postal employee was weighed to determine if they had performed their duty with `diligence and fidelity’.

The pension form and application process may have been used to reprimand workers twice for illness and misconduct, but it was also a method by which the Post Office gave a voice to workers—who were most likely to be women—who had beenpushed to the margins. For example, Elizabeth Johns, a postwoman in Newlyn, Cornwall, had worked as an unestablished, part-time employee for over thirty-six years, but in March 1891 she applied for a compassionate gratuity.\textsuperscript{74} Whilst on duty she had tripped and broken her leg—a difficult injury for any postal employee required to deliver letters. But Johns was seventy years old and, according to the medical officers, it was unlikely that she would work again. The secretary appealed to the Treasury for some assistance for her on account of her long service: she had worked for the Post Office in one capacity or another for over fifty years, of which thirty-six had been as a postwoman. The Treasury agreed, possibly because she was on duty at the time of her accident: she was paid £20. In contrast, the Treasury was less sympathetic in the case of Elizabeth Woolston, the postmistress of Kettering. Woolston had worked in the Kettering Post Office for over fifty-three years, thirty-one whilst married.\textsuperscript{75} She was applying for a superannuation as she was seventy-eight and, following her husband’s death in the previous year, she was looking to retire. Legally, once a postmistress married, the title and role transferred to her husband; Woolston regained it following her husband’s death, but within her pension application the secretary of the Post Office argued that she had continued in this role whilst married and consequently deserved a pension that reflected her full service. The Treasury was not swayed, stating that the pension was her husband’s to claim, not hers. Further research is needed into what the pension applications can tell us about the management and working lives of female postal employees but these two cases demonstrate instances when postal officials were aware

\textsuperscript{72} Having worked for thirty-seven years and nine months, McCord was entitled to at least 37/60 of his salary of £220, which equals to at least £135 a year. However, McCord was granted £107.19 a year.
\textsuperscript{73} PM POST1/231. Treasury Letters, November-December 1891, p.258.
\textsuperscript{75} Ibid., p.1071.
of how the rules and regulations could be unjust and they were willing to make the case to the Treasury for support on behalf of female employees.\textsuperscript{76}

Woolston’s role was not officially categorised and as a result her work was not recognised. It is unlikely that she was the only woman to be neglected by the system. At a time when postal workers were continually categorised and graded to determine salaries, this was a matter of discontent for male as well as female workers. The Post Office had a problem in the nineteenth century with how to distinguish whether its clerical civil servants were more akin to tradesmen or clerks of a higher class. Comparing the salary of a clerk starting on the same day in the Post Office with one starting in the Customs Office in 1894, the Post Office clerk would expect to receive £170 less a year after ten years of service.\textsuperscript{77} In contrast, the telegraph staff taken on in the 1870s considered themselves craftsmen but were classed under the same grade as clerks. In 1871 they went on strike because they felt the status of their job had deteriorated and their skills were not appreciated, since they were supervised by postal workers.\textsuperscript{78} As with the telegraphists, in the second half of the nineteenth century the sorters and letter-carriers were increasingly aware of their position being downgraded through the creation of ‘sub-groups’. These groups between postmen and the sorters decreased the chance of promotion to an indoor role and increased the postman’s feeling of isolation from the rest of the organisation.\textsuperscript{79} Apart from the brief period when the same examination was used for the sorters and letter-carriers in mid-1880s, the letter-carriers were often treated separately from the rest of the workforce and their low wages regularly made the headlines.\textsuperscript{80} In 1861, Reynolds’s Newspaper reported a meeting held by 700 Post Office workers, overwhelmingly letter-carriers, to discuss the problem of low wages.\textsuperscript{81} By 1890, there were reports of a possible threat of strike in the General Post Office due to ‘the disaffection of the letter-carriers’.\textsuperscript{82} At this time a town postman’s wage

\textsuperscript{76} The role of female family members of postal workers is partly explored in K. McIlvenna, ‘“The Widows and Orphans of Servants are Dying”: The Place of the Family in the Design and Application of Nineteenth Century Civil Servant Pensions’, in S. King, C. Beardmore and C. Dobbing (eds), \textit{Family Life in Britain, 1650-1910} (Palgrave, 2019, forthcoming), but this is an area of research that deserves further attention. Out of 669 pension applications for the years 1841, 1861 and 1891, fifty were on behalf of women. The secretary’s statement for the majority of these is the set-phrase ‘performed their work with diligence and fidelity’.

\textsuperscript{77} Perry, \textit{The Victorian Post Office}, p. 23.

\textsuperscript{78} Clinton, \textit{Post Office Workers}, p.51.

\textsuperscript{79} Ibid., p.50.

\textsuperscript{80} Daunton \textit{Royal Mail}, p.244.

\textsuperscript{81} \textit{Reynolds’s Newspaper} (London, England), 25 August 1861.

\textsuperscript{82} \textit{The Huddersfield Daily Chronicle} (West Yorkshire, England), 10 July 1890.
ranged from 18s to 34s a week, which would have left many in Charles Booth’s bracket of ‘poor or very poor’, and justifies their grievances.\textsuperscript{83}

The low wages experienced by postal workers may also shed some light on the reluctance of some workers to take up a pension, or at least suggest that, once given, these allowances were inadequate in providing useful support in old age. Decades before Booth’s categorisations of poor and very poor, a possible point of comparison concerning what the poor could or could not be expected to live on was the amount paid to out-pensioners on the Poor Law. With the introduction of the New Poor Law in 1834 there were debates over how much would be adequate to pay to widows and the elderly.\textsuperscript{84} Individual Poor Law Unions may have had an influence on the amount given in particular geographical locations, but a Select Committee of the House of Lords looking into the New Poor Law Amendment in 1837-8 took the amount of 2s 6d as a point of discussion. During this debate, a Nottinghamshire magistrate underlined the importance of support from an elderly person’s family or friends, since a person ‘could not live on 3s a week’.\textsuperscript{85} Of the 180 applications from postal workers for a civil service superannuation in 1861, there were twenty-eight granted that fell below the three-shilling-a-week barrier of the Nottinghamshire Magistrate, which equates to just under a sixth of applicants. As the superannuation payments were calculated on a percentage of wages, it is unsurprising that these workers were some of the lowest paid in the civil service. One of these workers was Michael Dowling, a letter-carrier in Maryborough, a rural community in County Cork, Ireland.\textsuperscript{86} Dowling had worked for the Post Office for over twenty years and would therefore have been eligible for retirement ten years earlier when he was sixty-four. However, the low wages and prospect of an even lower pension would have made retirement unattractive.


\textsuperscript{84} Historians do not agree on the amount paid to out-pensioners, with some suggesting between 2s 6d and 3s a week, whereas others argue widows and the elderly would have received one or two shillings less. For further discussion, see D. Thomson, ‘The Welfare of the Elderly in the Past: A Family or a Community Responsibility?’, in M. Pelling and R. Smith (eds), \textit{Life, Death and the Elderly: Historical Perspectives} (London, 1991), pp.202-204, referred to in Thane, \textit{Old Age in English History}, p.165 and K. D. M. Snell, \textit{Annals of the Labouring Poor: Social Change and Agrarian England, 1600-1900} (Cambridge, 1985), pp.131-135. Thane suggests this disagreement is due to the geographical variation in how the New Poor Law was administered: see P. Thane, \textit{Old Age in English History} (Oxford, 2000), p.165.

\textsuperscript{85} PP 1837-38 [719] (719-II) Report from the Select Committee of the House of Lords appointed to examine into the several cases alluded to in certain papers respecting the operation of the Poor Law Amendment Act, quoted in Thane, \textit{Old Age in English History}, p.168.

\textsuperscript{86} PM POST 1/110 Treasury Letters, May-August 1861, p.311.
The Post Office was an anomaly within the Civil Service when a new Superannuation Act was being discussed in the 1850s; however, the attempts to standardise provision for the Post Office within the Service, by removing contributions, was not enough to satisfy the needs of most workers. The Civil Service pension received a very low application rate from postal workers and many worked further into old age than the Act suggested they could. There are many possible reasons for this, including the lack of information given to workers, the perception of pensions as part of a larger system of behaviour control used in the Post Office and, perhaps most importantly, low wages that often resulted in extremely low pensions. The Superannuation Act of 1859 wanted to encourage a relationship of mutual benefit, providing a reward for loyalty. Nevertheless, the new system was not tailored to the needs of postal employees. The next section will examine the role of families, an element expressly left out of the 1859 Superannuation Act, but another important aspect of the working and retirement lives of postal employees.

Supporting the Families of Postal Workers after 1859

Through the Civil Service campaigns for superannuation reform, provisions for families were a recurring theme. Civil servants wanted their families to be able to claim some of their pensions after their death, and they based this claim on the contributions paid by employees towards the superannuation fund. By removing contributions, the government considered that they removed that claim from families and consequently ignored them within the 1859 Superannuation Act. However, through examination of the pension applications and census records of a number of postal workers, it is possible to observe the important role families played in the working, as well as retired, lives of employees from the Post Office. Once retired, the low pensions meant that some postal workers had to look to family for support. However, the census records also provide evidence of other retired workers’ desire for independence. Families were important for postal workers and it is possible that their exclusion from the 1859 Superannuation Act was a great injury to many low-paid employees.87

The historiography of the elderly poor and their families in the nineteenth century has tended to focus on the role of the 1834 New Poor Law and the debates that focused on the duty and ability of families to support elderly family members.88 In the census records of retired Post Office employees it is possible to observe the important support role that families played for

87 The role of postal employees’ families is explored in more detail in McIlvenna, “The Widows and Orphans of Servants are Dying.”
88 Thane, Old Age in English History, p.168.
those earning a small pension. Thomas Wilkins applied for a pension in January 1861, he had served as a messenger for the Post Office in Cheltenham for twenty years and nine months and was on a salary of £36.10s a year. He was sixty-six years old and used the clause of being over sixty to apply for a pension. The application submitted on his behalf noted that he had discharged his duties with diligence and fidelity and that he had had a large number of sick days in 1852 due to dislocating his shoulder whilst on duty. He was granted a pension the following month with little comment. He was entitled to twenty sixtieths, or a third, of his salary, which he was given exactly. This amounted to £12.3.4 a year, or just over four shillings a week. At the time of his retirement, the 1861 census shows that Wilkins was living with his daughter, son-in-law and their children; he appears to have continued to live with the family until his death at the age of eighty-nine in 1884. Wilkins did not appear to have a spouse and it can be assumed that due to his small pension he had to rely on his daughter and her family for support into his old age.

However, retired workers also tried to maintain their independence for as long as possible. Samuel Chick was a letter-carrier in Weymouth, Dorset. In January 1861 he applied for a pension at the age of fifty-two, on account of suffering from ‘rheumation’, after seven years and one-month of service. Due to his illness Samuel had stopped work in May 1860 and he was receiving three shillings a week, ‘this being the difference between his full wage and the payment made to his substitute’, a system reminiscent of an old type of pension scheme. As he had served less than ten years and was under sixty, Samuel was not entitled to a superannuation, but could get a one-off payment or gratuity and was granted £22.16.2. If Samuel was suffering from some type of rheumatism, it is likely that the walking required in the role of letter-carrier could have made his condition worse, or at least difficult to manage. From the census it can be observed that prior to his work with the Post Office he was a ‘shoe maker’. Following his gratuity from the Post Office, Samuel returned to shoemaking: this the profession he is listed under in 1871. In addition, Samuel and his wife had a lodger, another possible source of income for them; their son and daughter are no longer listed as living in the household. However, by 1881 Samuel was living with his daughter, her husband and their children. He was seventy-two years of age: his wife had died and he had reassumed his identity with the Post Office, now listed as ‘formerly postman’. Samuel and his wife had tried to stay

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89 PM POST 1/109 Treasury Letters January-April 1861, p.5.
independent for as long as possible, despite Samuel’s apparent ill-health. However, having a daughter gave Samuel an option to stop work in his seventies, and it was here he spent his last remaining years identifying with the profession he held for less than eight years.\(^92\)

Families were clearly important after a Post Office employee’s retirement, but they could also play a part in enabling workers to fulfil their roles, and the pension records demonstrate how sons were particularly useful at times when work was difficult for the parent. In July 1861, William Wales, a rural messenger in Spilsby, Lincolnshire, was applying for a superannuation allowance. He had worked for the Post Office for ten years and one month, but was only fifty-six; his retirement was the result of a disease of the lungs. He had stopped working in May 1861, and his absences notes stated that William had been off sick for twenty-eight days in 1859 and that ‘since August 1860 he has been assisted by his son’.\(^93\) William had clearly been sick for a long time and appears to have tried to keep working for as long as possible, perhaps to get over the ten years of service mark after which he could claim a pension. William earned £36.10 and, having worked between ten and eleven years, could receive up to ten-sixtieths, or a sixth, of his wages. He received exactly this in August 1861, amounting to £6.1.8 a year.\(^94\) Similarly, John Trerise’s son took over his duties as letter-carrier in the Lizard area of Cornwall in June 1859 when he could no longer continue his duties because of consumption. The absence notes states that ‘since he [Trerise] has stopped work in June 1859, his son has carried out his duty and collected his wages’.\(^95\) Although the application is dated August 1861, the work carried out by Trerise’s son was still counted towards his pension, and, having started work in December 1844, he was granted sixteen-sixtieths of his wages.\(^96\)

Despite the Post Office appearing to consider family members, particularly sons, as an extension of their employee when work was carried out, there was little provision for families in the Superannuation Act. The only record of payments to an employee’s family was on compassionate grounds after they died whilst working for the Post Office. This can be seen in 1841, before the passing of the Superannuation Act, when requests from widows of employees stationed to packet ships were more frequent.\(^97\) This association with the Admiralty appears to

\(^{92}\) Samuel died in February 1883: see ancestry.com; and Dorset, England, Deaths and Burials, 1813-2010.
\(^{93}\) PM POST 1/110 Treasury Letters May-August 1861, p.320.
\(^{94}\) Ibid., p.320.
\(^{95}\) Ibid., p.404.
\(^{96}\) Ibid.
\(^{97}\) PM POST 1/56 Treasury Letters January-June 1841, p.149, successful application by widow of Second-Master Hare, PM POST 1/59 Treasury Letters, March 1841-October 1842, p.91; the unsuccessful application from Mary Duncan (he was not serving the Post Office, but the Admiralty at the time of her husband’s death).
have continued into 1891 when John Howlett, telegraphist for the Admiralty at Gosport, died in what is described as a ‘fatal accident’. He was fifty-seven and had worked for the Post Office for over thirty-six years. His widow requested assistance on account of herself and her son who was under sixteen; she was awarded £33.5.6.  

This is the only such application in 1891 and none were made in 1861. The superannuation allowance was not designed for or used for the families of Post Office staff.

The Superannuation Act very clearly and purposely disassociated itself from the families of its workers, but there were other mechanisms in place to support Post Office employees’ families. The first annual Postmaster General’s Report noted that a Post Office Widows and Orphans Annuity Society had to be saved by the Treasury because it was in dire need. The Treasury gave the fund £16,000 a year from unclaimed money and added £2,000 to start an insurance scheme. It was a provision the Postmaster General considered would encourage ‘carefulness and forethought’ and consequently be ‘widely beneficial’. Its creation was even heralded in the *Morning Chronicle* newspaper, which saw the provision as due to the ‘comparatively small salaries of the great bulk of those in employment of the Post Office [that] almost precluded the possibility of their insuring their lives; and it was therefore wise, as well as generous, to come to their aid’. It was partly funded by the void money order and unclaimed property fund, which contributed £2,000, and had enabled the Atlas Assurance Company to take on the Widows and Orphans Annuity Society scheme on behalf of the Post Office. The provision also included special privileges with the eighteen insurance companies who had been selected. These companies had been chosen with the objective that ‘ample room may be allowed for competition, the number of offices shall not be so large as to reduce their several share of business to an insignificant amount’, hopefully providing good business for the companies as well as affordable security for the postal employees. Although the scheme allowed officers to pay one-fifth of their premiums on policies not exceeding £300, many employees did not sign up: the first Postmaster General Report in 1855 noted only 200 policies in effect. By 1860, there were attempts to broaden the scheme’s appeal by increasing cooperation between the Post Office and the insurance offices. This included the insurance office arranging policies

98 PM POST 1/231 Treasury Letters, November-December 1891, p.122.
99 PP 1854-55 [1913], p.36.
101 PP 1854-55 [1913], p.36.
103 Ibid.
104 PP 1854-55 [1913], p.36.
without any payment in advance and agreeing to pay £50 immediately on proof of death of the insured (instead of after the usual three months). With these concessions the Post Office would directly deduct the premiums from the salaries or weekly wages and pay them directly to the insurance offices. In an 1862 publication championing a similar scheme for all civil servants, Henry Ancell of the Admiralty declared that:

‘Under this plan a Letter-carrier can, by expressing a wish to secure some small provision for his family, possess himself a policy of £50 without paying one farthing in advance, while the deductions from his future wages will only amount to about 4d per week; and should he die the day after the policy is given to him, though it were a week or a month before any deduction would be made from his wages, his widow or representatives would be entitled to the amount, less the first premium. These are real facilities for the poorer paid officers, and are held in grateful appreciation by them.’

Ancell considered that, compared with other individual schemes seen in the Customs department and the Excise department, the Post Office demonstrated the best practice, and that private companies could easily provide this service for the rest of the government departments. To underline its success, Ancell maintained that 10.7% of officers in the Post Office were insured in the scheme. However, it is unclear how he calculated this as the Postmaster General’s Report for 1862 suggested that in 1861 membership stood at 1,188 polices, far from 10% of a workforce consisting of over 25,000 permanent staff. The Postmaster General’s reports do not continue to list the number of policies sold, but the development of this scheme clearly attempts to address the issues put forward by Richard Bromley and Dr Farr during the 1856 Select Committee, that deductions could and should be used to offer civil servants a provident society for the benefit of their families. Through the insurance scheme the Post Office hoped to provide an affordable mechanism for employees to make their own provisions, and it must have been reassuring to the higher ranks of the department as the number of life insurance policies was greater than the number of pensioners.

Despite the burden put on employees in having to make their own provisions for their families through the celebrated insurance scheme, by the end of the century a charitable fund had been

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106 Ibid., p.15.
107 PP 1862 [2984], p.23.
108 PP 1862 [2984], p.73 and PP 1864 [3417] Tenth report of the Postmaster General, in 1862 the Post Office counted the number of pensioners as 802.
set up to address the needs of postal workers and their families. The Rowland Hill Benevolent Fund was established in 1882 out of the surplus funds of a national memorial to Sir Rowland Hill, founder of uniform penny post, and had the express purpose of providing relief to distressed Post Office servants and their dependants. The servants it sought to assist were those neglected by the 1859 Superannuation Act, the people who had to retire before they had served in the Post Office for ten years. A letter appealing for donations to the fund was quick to establish that the Trustees were not suggesting ‘that the remuneration given to the Post Office employees is less liberal than it should be’, but they did consider that the service brought about unavoidable distress and hardship and they wanted to assist those who had to leave due to ‘illness or other causes’ who had served less than ten years, as well as the widows and orphans of pensioners’ whose allowance ceased at their death.109 The Lord Mayor, who was also a Trustee of the Fund, felt that Post Office employees particularly deserved assistance owing to the ‘peculiar conditions’ of their ‘daily work’, which included the weather and exposure to various ailments, in addition to employees’ ‘exceptionally high character and honesty’.110 By 1890, the fund had Queen Victoria as its patron and was worth £40,000, of which £22,000 had come from subscriptions from the public ‘and by other means’.111 Nevertheless, the fund did not pass without criticism. A letter in response to the Lord Mayor’s appeal appeared in the Morning Post in November 1884. It suggested that with ‘fore-thought and thrift they [the employees] should be able to make themselves independent of public charity’ and that one penny a week from each of the 53,000 employees would produce £11,470 a year without interest.112 It is unclear if the life insurance scheme established in 1854 was still running; little reference is made to it in news reports of the Rowland Hill Benevolent Fund, although from 1890 there was a greater emphasis on the independence of postal workers. An appeal to the people of Guernsey detailed that:

‘As a class, postmen are independent, self-reliant, and attentive to duty, and they unquestionably are entitled to all they receive in wages or superannuation allowance from the public treasury. In spite of self-reliance, postmen, like other mortals, are liable to be the victims of misfortune.’113

110 Ibid.
111 PP 1890-91 [C.6540], pp.13-14.
113 The Star (Saint Peter Port, England), 11 October 1890.
Supporters of the charitable fund did not want to challenge the government provision; instead, this fund was for the exceptions, the victims of misfortune who would fall through the welfare net of the government and thrift. However, it is clear that the fund did fulfil a similar role to the government superannuation allowances. They gave annual allowances rather than lump sums and in 1895 the Lord Mayor proudly told an annual meeting of the fund that they had ninety recipients over the age of seventy in receipt of payments.114

The Fund was partly paid for by small contributions from the postal workers, but it also allowed an opportunity for social activities and acts of fundraising that have more in common with the raffles for the suspended employee in the 1840s.115 In Exeter, in 1889, postmen, mail porters, mail guards and telegraph messengers paraded, complete with a marching band, from the General Post Office on the High Street to Exwick Church, in aid of the Fund.116 Even though the trustees of the charity included the Lord Mayor, the Duke of Norfolk (who was also Postmaster General) and Sir James Whitehead, the lowest rank of workers were involved in fundraising and were therefore able to feel ownership over the fund, something that was distinctly absent from the provisions under the Superannuation Act.

Conclusion

The Superannuation Act of 1859 did provide a benefit for letter-carriers and other postal workers that was rare for those of a similar class. It had been created out of a desire to improve the relationship between government and civil servants, basing pension payments on a relationship of entitlement that would be mutually beneficial. Through its creation the Act attempted to establish equality across the Civil Service; however, by examining one government department it is possible to see that this standardisation produced a system that was not beneficial to all.

For the postal employees able to claim a pension, the superannuation provision was simply not adequate, and many may have been hostile towards it. Only a small percentage claimed a pension and the pensions paid out were often so low they amounted to little more than an elderly person would have received from out-relief under the New Poor Law. The process devised to process applications also reinforced aspects of control imposed by officials with the

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115 The thirteenth annual meeting noted that contributions from the post office had decreased and it was felt this could because workers were also paying into insurance scheme. *The Standard* (London, England), 14 November 1895, p.6.
116 *Trewman’s Exeter Flying Post or Plymouth and Cornish Advertiser* (Exeter, England), 22 April 1889.
Treasury more likely to use their discretion to reduce pensions than grant concessions to those deemed unentitled. Furthermore, there were large sections of the workforce who could not claim a pension. Many women were forced out of the Service by the marriage bar, and by defining superannuation recipients as full-time employees, ignoring temporary or part-time staff, the Act excluded approximately half of the Post Office workforce. Finally, in ignoring the families of civil servants, the Act not only disregarded a fundamental demand from civil servants but did not acknowledge the sometimes vital role that families played in supporting postal employees in the fulfilment of their duties. The Post Office was just one of many Civil Service departments, but this case study offers valuable insight into how the 1859 Superannuation Act was administered and how it impacted upon workers’ lives. Far from bringing equality, it was of little benefit to the lowest paid and precariously employed.

The inadequacies were addressed through the establishment of a life insurance scheme and, later, the creation of the Rowland Hill Benevolent Fund. This fund filled a gap by providing for employees who were not covered by the Superannuation Acts and had not been able to buy insurance for their dependents after their death. It gave workers enough scope to be involved and actively fundraise for the cause, an active role similar to the older mechanisms of providing retirement funds. Even though the Civil Service superannuation may have been an entitlement under the definitions described by Zelizer, it was put under so many restrictions that a mechanism of charitable payment gave greater opportunities for workers to feel empowered. The financial relationship between the Post Office employee and the government may not have been improved despite the best intentions of the 1859 Act, but by using this case study it is possible to gain a greater understanding of how the Civil Service superannuation compared with the schemes provided in other industries. The government designed superannuation may have influenced many subsequent schemes, but it is evident it was not as celebrated by the employees as it was its employers.

Chapter 4:
Discretion and Control: The Slow Formalisation of the Bank of England’s Pensions

‘At the Recommendation of the Committee of Treasury, that Robert Browning at his request have leave to quit the service of the Bank, in consequence of the ill state of his health; and that in consideration of his faithful services of upwards of 49 years, he be allowed £203.6.8 per ann: during pleasure, being 8/12th of his salary and emoluments.’

Minutes of the Court of Directors at the Bank of England, 20 January 1853

Robert Browning was a clerk at the Bank of England for nearly fifty years. Following his resignation, the Court of Directors unceremoniously granted him a pension of eight-twelfths of his salary and emoluments in January 1853.¹ The minutes record no discussion of his character or achievements, but simply state that due to his ill-health and his faithful service he would be granted this financial allowance. These parameters, combined with length of service, determined the amount of pension which was based on a fraction of his salary. In many ways this matter-of-fact entry in the Court of Directors’ minute book is like many others, giving little context or explanation for the reasons to grant a retirement pension besides the facts that determined a mathematical calculation. However, Browning was not just an ordinary clerk: he was the father of a successful poet, also named Robert Browning, a fact that gives us greater insight into the circumstances surrounding his retirement from the Bank’s service.

Numerous biographies of the poet Robert Browning discuss the relationship between father and son, emphasising the great literary influence Browning Senior had over his son’s education. An 1891 biography of Robert Browning dedicated an entire chapter to the poet’s father, underlining that Browning Snr was ‘disinclined for bank work’.² Without the ambition that has been credited to his father (poet Browning’s grandfather was a senior Bank of England official), Browning Snr did not rise to great heights in the Bank or draw a large salary, but ‘made the best of his position for his family’s sake’ as well as to ‘gratify his scholarly and artistic tastes’

and ‘give his children the benefit of a very liberal education’.³ Robert Browning, the poet, had great affection for his father, a love most evident in his letters following his father’s death in 1866. In these letters he described his father thus:

‘[He was a] good, unworldly, kind hearted, religious man, whose powers natural & acquired would have so easily made him a notable man, had he known what vanity or ambition or the love of money or social influence meant.’⁴

Browning is portrayed as a stable and consistent clerk, with little ambition to climb the career ladder, satisfied to earn enough to support his family and his son’s literary ambitions. His service was indeed faithful and long, but no more than that. However, it is also notable that despite retiring on grounds of ill-health Browning Snr lived in Paris for a further thirteen years and was considered by his son to have a strong body and mind. The poet described his father on his deathbed as ‘utterly indifferent to death’, retaining his intellectual faculties to the last and with the ‘strength of his constitution [that] seemed impossible to be subdued’.⁵ This brings into question his resignation on grounds of ill-health and further investigation turns up some surprising results for this ‘kind hearted’ and ‘religious man’.

Six months prior to his retirement from the Bank of England, Robert Browning Snr had left England under questionable circumstances. On 1 July 1852 he had been ordered to pay damages amounting to £800 for a ‘breach of promise to marriage’, after being found guilty of wooing and then discarding the widow Mrs Von Müller.⁶ In a bid to avoid paying damages, Browning Snr decided, with his daughter, to ‘exile themselves beyond the arm of English law courts’.⁷ They turned to Robert Browning, the poet, for help and by 20 July, he had relocated them to an apartment in Paris.⁸ Having left the country, Browning Snr was no longer able to maintain his employment at the Bank of England; he subsequently resigned. He claimed ill-health which, given his age, may not have been surprising to the Bank officials; however, the trial had been reported in The Times. It is interesting that, far from being dismissed for this lapse in character as well as skipping the country to escape a court order to pay £800 in

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³ Ibid., pp.10-11.
⁵ Ibid., p.240.
⁶ The Times, 2 July 1852, p. 7. Browning had ended the engagement based on the belief that Von Müller had married her second husband not knowing her first was dead; although this was proved to be untrue, the defence rested on the assertion that it had been the acts of ‘a poor dotard in love’.
⁸ Ibid., p.299.
damages, the Bank of England’s Court of Directors looked on Browning favourably. His long service was considered, and the decision was taken to grant him a pension of eight-twelfths of his salary.  

An employee’s character was very important to the Bank of England and other banks. Historians have highlighted the importance of respectability in a work place that handled money on a daily basis. In addition, ideas of morality and character have also been shown to be important factors within the Victorian financial world more generally. Given the importance of character to the industry, it is possible that the Bank was unaware of the Browning trial or why Browning had suddenly left the country, despite the trial being reported in a national newspaper. Alternatively, if the Bank’s officials did know, this case represents a slightly skewed representation of the Bank’s perception of acceptable behaviour for employees. As Glassi and Newton have demonstrated, bank managers did not necessarily decide whether a customer was trustworthy based on their actions but on elements such as ‘religious affiliation, membership in particular social organisations or clubs, political allegiance or kinship links’. Additionally, Anne Murphy’s examination of recruitment has shown how the Bank of England often relied on the system of patronage as a way of ensuring the respectability of employees. In the case of Browning, the Bank put its perceived responsibilities to provide a pension to this long-serving clerk, the father of a renowned poet, before a punishment for a public misdemeanour. Following ideas similar to those that framed patronage, the knowledge of the individual, his long service, as well as social standing and connections, may have worked in his favour to secure a pension. Veiled in the appearance of regulation with the description of the length of service and consequent fraction of salary that calculated the pension amount, the Browning decision is a perfect example of the discretion employed by the Bank regarding the retirement of their employees.

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11 Cultural history of economics is a growing field and the following provide good examples: J. Melling, ‘Employers, Workplace Culture and Worker’s Politics: British Industry and Workers’ Welfare Programmes, 1870-1920’, in J. Melling and J. Barry (eds), Culture in History: Production, Consumption and Values in Historical Perspective (Exeter, 1992) and Paul Johnson, Making the Market: Victorian Origins of Corporate Capitalism (Cambridge, 2013).
This chapter focuses on the retirement provisions of the Bank of England, how and why they were developed and the role of the government and Civil Service in influencing any changes. Historians of the Bank of England, such as Acres and Giuseppi, have repeatedly shown how the British government had some influence on how the Bank of England operated, with the 1844 Bank Charter Act as an example of how parliamentary power granted the Bank’s monopoly to print notes. But the way the Civil Service was managed also influenced the Bank which was reflected in their pension policies as the Superannuation Acts of 1834 and 1859 helped to shape pension regulations at the Bank. Nevertheless, the Bank was able to maintain a far more discretionary and personal touch to its pension provisions. In this way, it was similar to the East India Company which, as a private profit-making company, was able to sustain a two-tier system of discretionary pensions and regulated superannuation. Yet, the Bank of England did not develop two separate systems and until 1870 it maintained a system framed by regulation but also subject to discretion through an assessment of an employee or their family’s need. This system changed in the 1870s, partly due to the greater scrutiny the Bank was under but also due to the competition for competent clerks with an increasing expectation of a regulated superannuation system. Yet, even with a more formal system in place, the Bank ensured it had the mechanisms to apply discretion in particular cases. Applying Zelizer’s categorisation of payment, the Bank of England wanted to ensure their pension system remained as much like a gift as possible, to help them maintain and assert their power over workers. As with the East India Company, pensions as a gift gave little opportunity for employees to bargain for change and the policy was only amended by the actions of the clerks they failed to attract.

To examine the changing regulations for pensions within the Bank of England two pension ledgers that have survived in the Bank of England’s archives will be examined. These ledgers cover the period of the later eighteenth century up to the mid-nineteenth century and provide evidence regarding who were given pensions and why. These pension ledgers make it clear that certain roles entitled employees to larger pensions, based on the fraction of their salary—

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15 See Chapter 2 for more information on the East India Company.
16 See Chapter 5 on railway companies and increased superannuation systems after 1870.
not necessarily based on seniority or hierarchy but on wider considerations including family and need.

The chapter then turns to changes in how the Bank of England managed its staff in the 1870s and the influence of an internal report on recruitment and superannuation. Through examination of this report, it is evident that the Bank was attempting to tackle a crisis of employment and recruitment of clerks, since it felt it was losing out on the best clerks to the Civil Service. This provoked a closer alignment to Civil Service superannuation regulations, but the Bank was careful to ensure discretionary practices could be maintained. By examining the Court of Directors’ minutes for the years following the 1870 regulation it is manifest that older practices of looking at an employee’s economic condition and dependents persisted.

The Bank of England is a unique case study, being a private institution that worked closely with, and was influenced by, the British government and Civil Service. Through examination of how the institution managed its staff and retirement benefits it is possible to assess how the challenges of employing the clerking class over the course of the nineteenth century changed and how challenges were managed. Government practice was influential and there was a need to be mindful of finances, but as an independent and relatively small institution the older more personal practices were persistent to varying degrees and for various reasons.

**Bank of England Pensions in the First Half of the Nineteenth Century**

The Bank of England has a long history of giving pensions to its employees, but it was not a very large institution, barely exceeding 1,000 employees during the eighteenth and nineteenth centuries. When the Bank of England first opened for business in 1698 it employed nineteen officers; by 1790 this had increased to 375 and by 1820 it had reached 1,000.18 1821 saw a large reduction of staff due to the closure of the £1 and £2 bank note office, but the number of staff was then fairly consistent between 700 and 800 for most of the century, until it started to climb again to a peak of 1,100 in 1897.19 The number of staff was obviously much smaller than the Civil Service, or even the Post Office department, but larger than most other banks and financial institutions. Furthermore, after 1826, it had a small workforce that stretched across England.20

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20 From 1826 the Bank of England opened county branches; a branch in West London followed.
The first pensioner from the Bank of England is thought to have been Thomas Madockes, who retired in 1739.\textsuperscript{21} Madockes had been one of the original employees appointed in 1694, he had worked for the Bank for forty-five years, of which forty have been spent as chief cashier, leading one of the three divisions of the Bank.\textsuperscript{22} Acres suggests that pensions only became more common after the retirement of Madockes, but that during the eighteenth century they were largely given on an ad hoc basis and were not always generous. He gives the examples of Peter Saffree, whose job role is not given, but was granted £30 a year, and Samuel Jacobson, chief accountant, who retired in 1773 with a pension of £60 a year.\textsuperscript{23} Daniel Race, chief cashier, was granted £250 a year but this was described as being due to ‘exceptional services’.\textsuperscript{24} However, looking at the ledgers that survive of the pensions paid out in the period between 1780 and 1850 this appears to be a simplified view of how and why pensions were paid out.

Within the Bank of England archives there are two ledgers that hold details of employees receiving pensions. One ledger records that 283 employees were given a pension or gratuity between 1735 and 1829.\textsuperscript{25} This ledger contains the employees’ name, role, salary, length of service, size of pension or gratuity and date of death (although some details, including date of death, stop being noted in 1829). The second ledger, covering the period for 1800 to 1852, gives some basic statistics including the date an individual was elected, their age at the time, the date they left the service, the date and age at the time of death.\textsuperscript{26} It lists the cases of 2,377 individuals and though no names are included there is some indication if an individual was sacked or pensioned. There is some overlap between these two ledgers and it is possible to match entries through the date they were elected and subsequently left the service, however there are also several gaps in the data.

Looking at the number of pensions granted we can see spikes in activity in particular years.

\textsuperscript{21} Acres, \textit{The Bank of England from Within}, p.142.
\textsuperscript{23} Acres, \textit{The Bank of England from Within}, p.230.
\textsuperscript{24} Ibid., p.231.
\textsuperscript{25} BEA E46/1 Pensions: List of Staff Receiving Pensions.
\textsuperscript{26} BEA E46-2 Pensions: List of Staff.
The largest peak is recorded in ledger E46/2 during 1821 when the Bank of England issued a large number of redundancies as it stopped producing £1 and £2 bank notes. Otherwise, in most years both ledgers recorded less than twenty employees retiring each year.

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27 BEA E46/1 Pensions: List of Staff Receiving Pensions and BEA E46-2 Pensions: List of Staff.
Comparing the two ledgers for the years that they overlap, as shown in Figure 6, it is notable that in 1821 the second ledger records a far greater number of employees being pensioned off. This suggests that the ledgers may not be completely reliable in drawing accurate numbers, as some information may have been neglected and it is unclear why the Bank would have two, or more, ledgers recording similar information at the same time. Nevertheless, despite the 1821 peak in ledger E46/2, the ebbs and flows of numbers appear very similar, and record a consistent granting of pensions for employees from the turn of the century.

Comparing these numbers to the size of the workforce, it becomes apparent that these pensions may not have been as ad hoc as Acres describes. In 1829 there appears to have been 137 active pensions, which equates to an astounding 16% of the workforce. The cost of these pensions was even higher, standing at £8018.6.1 in October 1829, the equivalent of nearly a fifth of the total wage bill. These figures are substantial and, though they reflect the numbers of employees pensioned in 1821, they also underline the scale and importance of the pension system by this time.

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28 There is another list at the back of E46/1 that records pensioners from 1791 to 1871 but with the names and details crossed out.
29 The number of pensions listed in E46/1 Pension Lists without recipients being marked as deceased. The total number of employees for 1830 is recorded as 870 in Giuseppi, The Bank of England, p.100.
30 Total costs of wages recorded as £37427.4.3 + wages of those in branches £5367.15.5 = approximately £42794. From BEA G4/52 Court of Directors’ Minute Book, p.159.
By the start of the nineteenth century the Bank of England’s pension system was clearly part of a well-established employment custom available to large sections of the workforce. This is demonstrated by the growth in pensions by the 1790s. There was only one recorded gratuity paid in the 1740s, growing to two pensions in the 1750s and four pensions and one gratuity granted in the 1760s. These pensions or gratuities may have been less frequent, but they were not just the reserve of the superior officers. It is recorded that Peter Merrick, an accountant on a wage of £70 a year was given a gratuity of £50 after thirty-five years of service, Merrick had been working for the Bank of England since 1708, so was one of a dozen or so staff members. Despite his long service Merrick had not progressed far from the starting salary of £50 for clerks, which could reach a maximum of £200. In the 1750s, an out-teller and an upper doorkeeper also retired with pensions of £40 and £30 respectively. The minutes of the Court of directors give no indication if these were exceptional circumstances, or even suggest that retirement was being forced on account of ill-health. James Taylor, an out-teller for over twenty years, was recorded to have requested to leave the service and the pension was granted ‘in consideration of his long and faithful service’. German Staton, the upper doorkeeper, had served for over twenty-four years and was also recorded as requesting leave to quit his service at the Bank and was granted a pension ‘in consideration of his long and faithful service.’ From these records it appears that length of service and loyalty were the only criteria used for granting a pension, there was little reflection on the health or age of these employees.

On some occasions, a Bank of England employee did not even have to boast a long career to secure a pension. In July 1768 William Barker resigned from the Bank after only nine years of service. He was an accountant and earning £70 a year and, presumably because of his short service, his pension was recorded as £20 a year. The minutes for the Court of Directors give no further details or reason behind the pension, however, we do know that Barker died in December 1797, and there is no reason to assume he did not continue to collect his pension for the twenty-nine years between resigning his post and his death. The case of John Best, another accountant who resigned in June 1768, gives a hint that personal circumstance and health were factors that were also considered by the directors when giving a pension at this time. Best had

33 BEA E46-1 Pension Lists.
34 BEA G4/19 Court of Directors’ Minute Book, p.7.
36 BEA E46/1 Pension Lists.
37 BEA G4/20 Court of Directors’ Minute Book, p.372; E46/1 Pension Lists.
only served the Bank for five years and was earning £70 a year; however, the Court of Directors’ minutes record that Best petitioned the directors, explaining his reasons for leaving. Best had problems with his eyesight that he claimed left him incapable of performing his duties: his petition revealingly stated that he had sought the advice of ‘two eminent surgeons’ who confirmed his condition had no relief.\textsuperscript{38} Best consequently was unable to support himself or his wife and prayed for the directors to provide him with some relief for ‘his future support’.\textsuperscript{39} The directors clearly took pity on Best and granted him a pension of £40.\textsuperscript{40} Though reasons were not always given, the Bank of England appeared to consider most employees who resigned the service for a pension, this included those who had worked for the Bank for less than ten years as well as those resigning after a long service and those unable to work due to sickness.

From these examples of retirements in the eighteenth century, loyalty, length of service and health were all apparent as factors under consideration when the Court of Directors granted a pension, but they were not necessarily the reasons for the size of pension. In the early nineteenth century, the government had issued various Treasury Minutes detailing pension provisions for key officers. An 1803 Minute was the first to scale pensions according to length of service, a principle which was later made law by the 1810 Superannuation Act.\textsuperscript{41} Yet, there was no coherent system across the service and lower officers could be expected to arrange their own retirement emoluments through fees, funds or payments from their replacements.\textsuperscript{42} The Bank operated quite differently at this time and considered the individual’s circumstances in order to grant them an appropriate pension. Looking at the information recorded for pensions in ledger E46/1, which records pensions from 1753 to 1830, there is no trend for the most senior employees to be granted a higher percentage of their wage as their pension, as demonstrated in the table below:

\begin{table}
\centering
\begin{tabular}{|c|c|c|}
\hline
Year & Seniority & Pension as Percentage of Wage \\
\hline
1753 & 1 & 50 \\
1760 & 2 & 60 \\
1770 & 3 & 70 \\
1780 & 4 & 80 \\
1790 & 5 & 90 \\
1800 & 6 & 100 \\
1810 & 7 & 110 \\
1820 & 8 & 120 \\
1830 & 9 & 130 \\
\hline
\end{tabular}
\caption{Pension Percentages from 1753 to 1830.}
\end{table}

\textsuperscript{38} BEA G4/20 Court of Directors’ Minute Book, pp.363-364.
\textsuperscript{39} Ibid., p.364.
\textsuperscript{40} Ibid., p.364.
\textsuperscript{42} See Chapter 3 on the Post Office for further details on provisions made in that department.
### Table 7. Selection of Departments with Average Salary and Average Pension

<table>
<thead>
<tr>
<th>Office</th>
<th>Average Salary (£ per year)</th>
<th>Average Pension (£ per year)</th>
<th>Pension as % of salary</th>
<th>No. of employees listed</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchequer</td>
<td>225.00</td>
<td>287.50</td>
<td>127.78</td>
<td>4</td>
<td>16 porters of different types, most give 100% or more of salary as a pension</td>
</tr>
<tr>
<td>Porter</td>
<td>52.94</td>
<td>57.50</td>
<td>108.62</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Cheque</td>
<td>192.50</td>
<td>185.00</td>
<td>96.10</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Drawing Office</td>
<td>214.36</td>
<td>190.42</td>
<td>88.83</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Cashier</td>
<td>256.67</td>
<td>226.67</td>
<td>88.31</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Accountants</td>
<td>158.70</td>
<td>139.13</td>
<td>87.67</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>£3 per cent office</td>
<td>243.85</td>
<td>200.77</td>
<td>82.33</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>£4 Per Cent</td>
<td>182.00</td>
<td>148.89</td>
<td>81.81</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Consols</td>
<td>148.00</td>
<td>118.62</td>
<td>80.15</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Head of</td>
<td>260.62</td>
<td>206.15</td>
<td>79.10</td>
<td>13</td>
<td>(up to 88% if two low pensions removed)</td>
</tr>
<tr>
<td>Bank Stock</td>
<td>138.00</td>
<td>101.67</td>
<td>73.67</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Bank Note Office</td>
<td>183.78</td>
<td>132.00</td>
<td>71.83</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

From this selection what is most obvious is that pensions appeared to be generous in relation to salaries, with the clerks in the Bank Note Office receiving the smallest percentage of their average salary at 72%. To be granted a similar pension in the Civil Service or East India Company in the early nineteenth century, an employee would have been expected to be over sixty-five with forty years or more service.\(^{44}\)

One department with a staggering record of granting pensions above the salary-level is the Exchequer’s office. A description of the role and conduct of this department can be found in the Committee of Inspection minutes, a committee put together to report on the daily business

\(^{43}\) BEA E46/1 Pensions.

\(^{44}\) Scale of the 1810 Superannuation Act and 1813 Charter Act: under these conditions an employee would receive three quarters of their salary.
of the Bank of England with a view to recommending any improvements to the Governor, Deputy Governor and Committee of Treasury. What was produced is a unique record of how various departments conducted their business in the 1780s and, despite the aims of the committee, it is not likely that the purpose and role of the departments changed very much. On Wednesday 4 June 1783 the Committee interviewed Mr Cowper, the principal clerk who attended the Exchequer’s Office. Cowper had been at the Bank for thirty-two years, eight of which had been serving in the Exchequer’s Office and three in the role of principal. Cowper and two other clerks from the Bank attended the Teller’s Office in the Exchequer every day, apart from holidays, to pay and receive monies issued or brought in or used by Government.

To carry out this work, a sum usually between £50 and £100,000 was withdrawn from the Bank’s warehouse and taken to the Exchequer, where the clerks were in attendance between 11am and 1pm. The importance of the role was such that it involved interactions with the Lords of the Treasury and daily reports to the Drawing Office and the chief accountant. It is probably the interaction with senior Bank of England staff, as well as those directly involved in the Bank’s daily relationship with the government, that gave the role enough importance to account for such large pensions. Cowper retired in July 1791 after forty years of service; his salary had been £220 and he was granted a pension of £200 ‘on account of his ill-health and long service’. Upon Cowper’s retirement, the wages of the other clerks within the Exchequer department were raised: these clerks, Rueben Ettie, John Guiningham and Benjamin Madden, would all go on to retire and be granted a pension or gratuity. When Ettie retired in July 1800 after forty-one years of service, his salary was £220—the same as Cowper before him—but his pension was £350 a year. The Court of Directors’ minutes record that this sum was given ‘on account of his ill-health and faithful service of upwards of forty-one years; and as a special mark of the approbation of this Court’. Ettie was a valued employee, but this was surpassed by his successor, John Guiningham. Following thirty years’ service Guiningham retired in March 1807: his salary was recorded as £260, £40 more than his two predecessors and he was

46 BEA M5/212 Committee of Inspection Minutes, book 1, part 2, p.139.
47 Ibid., p.139.
48 Ibid., pp.139-145.
49 Ibid., pp.143-144.
51 BEA E46/1 Pension List.
granted £400 a year as a pension.\textsuperscript{53} The Court of Directors’ minutes recorded that this large sum was given ‘in consideration of his ill-health and faithful services of upwards of 32 years’; however, it also notes that the figure came as a recommendation from the Committee of the Treasury.\textsuperscript{54} The Committee of the Treasury’s minutes provide a far more detailed analysis and calculation of a pension for John Guiningham. After receiving his letter praying for leave to resign due to ill-health, the committee noted his length of service and the number of his children, including one son who was provided for and four daughters who remained dependent on Guiningham.\textsuperscript{55} His salary is also noted, alongside his other emoluments, an allowance of £40 in lieu of morning money and an annual gratuity of £230, giving Guiningham a total income of £530. Taking all of this into consideration the Committee recommended £400 a year as a pension: Guiningham claimed this until his death in 1815.\textsuperscript{56}

Several conclusions can be drawn from this examination of the Exchequer department: first that all of those listed were in fact heads of department and not ordinary clerks, so caution needs to be taken when looking at departments listed in these ledgers. Also, the listing of salaries does not include the other emoluments and gratuities they may have received in line with their work.\textsuperscript{57} Finally, the calculation of pensions was not always clear, and show that family could be taken into consideration, but not always. Reuben Ettie was also discussed in the Committee of the Treasury, but it principally looked at his reasons for retiring, noting that he was seventy years of age, in ill-health and that he had worked for the Bank for more than forty years.\textsuperscript{58} There was no consideration of his salary or his dependents or lack thereof.

Nonetheless, another type of employee who enjoyed large pensions, in proportion to their salaries, were the porters, a grade of employee far removed from the high-level Exchequer’s office. Porters received much lower salaries, and these tended to be fixed salaries without the possibility of increasing over time unless they were promoted to a more senior position. Still, as the Bank grew, the number of porters grew, and by 1790 there were a total of twenty-six, including a new role of day porter, later known as office messenger, that was introduced in 1791—the total went up to thirty-seven employees within that class.\textsuperscript{59}

\begin{itemize}
\item \textsuperscript{53} BEA E46/1 Pension List.
\item \textsuperscript{54} BEA G4/31 Court of Directors’ Minute Book 1807, p.343.
\item \textsuperscript{55} BEA G8/13 Committee of Treasury Minute Book 1807, p.100.
\item \textsuperscript{56} Death recorded in BEA E46/1 Pension list.
\item \textsuperscript{57} Gifts were seen as an important part of Civil Service role in the early nineteenth century: see Chapter 1 and the work of Sir Norman Chester for further information.
\item \textsuperscript{58} BEA G8/9 Committee of Treasury Minute Book 1800, p.90.
\item \textsuperscript{59} Giuseppi, \textit{The Bank of England}, p.83.
\end{itemize}
The porters’ age and length of service were, once again, the most common reasons given for granting a pension. John Lucas was a gate porter for thirty-five years when he retired in January 1788. The Court of Directors’ minutes simply noted that Lucas wanted to leave the service ‘on account of his age and infirmities’, and there is no evidence for how his £50 pension was calculated.60 Jeremiah Booth, a bullion porter, was treated in a similar way when he petitioned to leave the service in January 1790 after thirty-eight years’ service. He was on a salary of £30 a year and granted £40 a year ‘in consideration of his long service and bodily infirmities’.61 No further explanation was given within the Committee of the Treasury minutes, which only mentioned Booth’s length of service and not even his role at the Bank.62 This was again repeated for Thomas Brand, a gate porter, who had worked for the Bank for forty-three years when he requested leave to resign in April 1795. The Court of Directors’ minutes simply stated that £40 a year should be given ‘in consideration of his ill-health and long services’.63

Age and length of service were not the only reasons given for porters’ pensions and, possibly due to their low wages, porters’ families were also frequently discussed and considered. This is notable in the case of William Banning, a gate porter who retired in July 1777 after twenty-five years’ service, whose wife may have also worked for the Bank. He was recorded as receiving a salary of £40 a year and granted a pension of £35 a year.64 The Court of Directors’ minutes noted that Banning and his wife had ‘grown old and worn out in the service of the Bank’ and ordered that they receive a pension from Michaelmas next.65 From the 1783 Inspection Minutes we are told that the principal gate porter lived in the Bank and the keys to offices were kept in his house and issued by himself or his wife.66 In April 1777, Banning and John Lucas are listed as the only two gate porters on the payroll, so it is possible Banning was the principal gate porter with the privilege of having lodgings in the Bank.67 In addition, Elizabeth Banning was listed as a housekeeper earning £50 a year, £10 a year more than her husband.68 Elizabeth Banning was elected as housekeeper in 1767, so had worked for less than ten years before retirement. It is not clear if it was her short service, position or gender that

60 BEA G4/25 Court of Directors’ Minute Book 1787, p.12.
61 Ibid., p.193.
62 BEA G8/4 Committee of Treasury Minute Book, 1790, p.57.
63 BEA G4/26 Court of Directors’ Minute Book 1795, p.359.
64 BEA E46/1 Pension List.
65 BEA G4/22 Court of Directors’ Minute Book 1877, p.268.
66 BEA M5/212 Committee of Inspection, pp.184-185.
67 BEA G4/22 Court of Directors’ Minute Books 1877, p.250.
68 Ibid., p.250.
disqualified her for a separate pension, but her role can be seen as reason for her husband’s pension to be almost equal to his wage.

Family members did not have to be employed by the Bank to feature in their considerations of porters’ pensions. John Beard, senior house porter petitioned the Committee of the Treasury for relief from work: his petition was based on the ‘decline in his health’ and he was ‘begging the bounty of the Court for the future support of himself & family’. It was subsequently agreed to comply with his request ‘on account of his great age and good services’ and a pension of £40 a year was granted with £10.20 to be made available for his ‘immediate use’. With these lower paid employees the Bank appeared to show more flexibility in their ‘system’, a flexibility that appeared to be born out of duty of care. This is exemplified in 1787 in the case of William Watkins. Watkins is listed in the ledgers as receiving a gratuity of £150, but with no other information regarding salary and length of service. The situation is explained in the Court of Directors’ minutes for 18 April 1787, where it was resolved:

‘That in consideration of the extraordinary circumstance attending the deaths of William Watkins the late Gate Keeper, and his wife that late Housekeeper and of their having left three infant children in a manner unprovided for—One hundred and fifty pounds to give towards the education and support of the children, and that this sum be paid to Samuel Thornton and Thomas Boddington Esq. in trust to be disposed of as these gentlemen shall think fit for their benefit.’

Through the porters we can see the variety of methods that Bank of England’s directors employed to provide suitable support for their employees. Age and length of service as evidence of loyalty, or faithfulness, to the service were stable conditions for a pension. However, sickness and family conditions could also encourage the directors to make extra provisions through large pensions or one-off payments. Without having a particular set of rules the Bank developed its own system, which took the form of custom or tradition for giving financial support for employees retiring.

This financial support was not only in the form of the pension and from this data of the 283 employees listed, only five have no record of an amount paid to them; the rest are recorded as receiving a pension, gratuity or donation. A pension was a regular payment, paid quarterly at

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69 BEA G8/5 Committee of Treasury Minute Book, 1795, p.332.
70 Ibid., p.332.
71 BEA E46/1 Pension Lists.
72 BEA G4/24 Court of Directors’ Minute Book 1787, p.342.
the Court of Directors’ discretion; a gratuity was a one-off payment of a lump sum.73 These two types of payment are also seen in the Civil Service pensions where a gratuity was used to give employees a payment when they did not meet the criteria for a pension. As the example of the porters has demonstrated, gratuities were not necessarily used in this way at the Bank but could supplement a pension or replace a pension for non-employees. However, a donation was used slightly differently and, it appears, very specifically, in relation to employees found to be bankrupt. In 1817 the Court of Directors, with guidance from the Committee of the Treasury, decided to discharge any employee who had ‘taken benefit of the Insolvent Debtors Act’ or been declared bankrupt.74 This decision is reflected in the cases of donations listed in the Bank’s ledgers. For example, William Dickinson, a pay clerk, who was elected on 1 March 1798 and left the service nineteen years later, was recorded as having been discharged from service, but in receipt of a donation. The Court of Directors’ minutes gave some further details, noting that William Dickinson was discharged from the Bank on 30 October 1817 following a suspension. When he was declared bankrupt under the Insolvent Debtors Act, his case was referred to the Committee of the Treasury to calculate the donation.75 Furthermore, in the case of George Sturdy Weller, a chief cashier who was suspended in early October 1817, it was only when the Court of Directors received a petition from him stating he had been declared bankrupt under the Insolvent Debtors Act that the Bank took action to discharge him.76 However, this does not help explain the use of a donation for William Keep, the only employee given this type of emolument prior to the Insolvent Debtors Act in 1813. Nevertheless, the Court of Directors’ minutes do confirm that he was discharged from the service on 11 January 1810 rather than resigning due to ill-health or old age, and this may have been connected to his personal financial position.77

The dismissal of clerks who became bankrupt supports the arguments of Ingrid Jeacle, and others, who promote the importance of respectability in a banking career. Alongside drunkenness, indebtedness was feared as it was believed to leave the bank vulnerable to fraud.78 Yet, with these retirement payments, classed as donations, the Bank of England appeared to take a slightly more lenient approach to their bankrupt employees. Anne Murphy has shown

73 Early records of the Bank do not use the word ‘pension’; instead they describe an annual gratuity. The word ‘pension’ is used more frequently later in the nineteenth century, and the ledger for the years 1800-52 uses a ‘P’ as shorthand for pension.
74 Ibid., p.123.
75 BEA G4/40 Court of Directors’ Minute Book 1817-18, p.137.
76 Ibid., p.123.
77 BEA G4/33 Court of Directors’ Minute Book, 1809-11, p.188.
that the Bank of England would employ clerks who had previously experienced bankruptcy. Murphy points out that this was following the law which granted individuals who had been bankrupt, but had cooperated with the Commission of Bankruptcy, a chance to ‘rebuild their lives’. Through the new legal framework there was an obligation for the Bank to consider these employees in the recruitment process. Yet, there was no legal obligation to make any financial provision for bankrupt employees. These workers may not be trusted to work within the Bank following their disgrace, but they were seen to still deserve some financial reward for their work and loyalty up to that point.

The use of donations in addition to pensions and gratuities demonstrates a sense of responsibility felt by the Bank of England towards its employees. It installed a system of payment for all classes and almost all conditions of employee leaving the service, which included dismissal on the grounds of bad management of personal finances. There does not appear to be evidence of a scale of payment or formal procedure in formulating a pension payment, aside from the need of an employee to resign. An employee’s age, health and length of service could all be discussed in relation to a pension or retirement payment, but they were seen as evidence linked to the employee’s loyalty rather than forming the basis of a calculation. The employee’s family could also be considered, and this fell to the Bank’s sense of loyalty towards their employee, acting to ensure help was provided if requested. Finally, the amount granted was based on the sense of need and may have had some basis in salary but was not closely tied. The directors were able to grant pensions well above or below their employees’ salaries depending upon the individual and their circumstances. A system, of sorts, was in place but it was fundamentally informal, without the voices of employees it is not clear if they saw the informal system as part of an equal exchange. However, there did not appear to be any bargaining attempts from the employees and it could be assumed that employees did not know what to expect when petitioning for leave to retire from their service at the Bank, putting these payments into the gift category rather than compensation. Discretion and informal decisions kept the power and control over the retirement payments firmly with the Court of Directors.

**Introducing Some Formality to the Informal: 1821-1870**

There are two occasions when a regulated formula for calculating pensions had been used in the first half of the nineteenth century. The first was applied when a large number of employees

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80 Ibid., pp.27-28.
were discharged in 1821 and the second was implemented following government changes to the Civil Service superannuation scheme in 1834. These were the two major changes to the Bank of England’s pension system up until 1870, and though they can be seen to bring in some formality, it was still not a regulated system.

In 1821 the Bank of England decided to discontinue printing bank notes valued under £5 and, consequently, had to dismiss over 100 staff members. Giuseppi associates the desire to end the use of these notes with the Bank of England’s directors’ distaste of prosecuting people for forgery.\(^8\) Between 1797 and 1829, 618 people were convicted for forging bank notes, and as the death penalty for forgery was not abolished until 1832, they all faced the possibility of losing their lives for the crime. Giuseppi argues that the directors were ‘humane and sensitive men’ who often pushed for a charge of possession over forgery in order to reduce the penalty.\(^8\) Though the directors may have made changes for humanitarian reasons, their actions still led to the removal of large numbers of men, many of whom had been working for the Bank for several years. In order to limit the impact of releasing over 100 clerks on to the job market it was decided that pensions should be given. Providing compensation in the event of closing an office was later included in the 1834 and 1859 Superannuation Act, but it is not clear how much formal regulation the government had for this type of event in the 1820s.\(^8\) As a result, the Bank of England took the government’s superannuation regulation from the 1810 Superannuation Act as inspiration and devised the following formula:

\[
\text{1. All Clerks who have been 30 years and upwards in the service, } \frac{3}{4} \text{ of their Incomes arising from Salary, Morning Money and Gratuity— but in those instances where such } \frac{3}{4} \text{ shall be less than the amount of the Salary, then the Salary.}
\]

\[
\text{All Clerks who have been 20 to 30 years in the Service, } \frac{3}{4} \text{ of the amount of their Salary, Morning Money and Gratuity.}
\]

\[
\text{All Clerks who have been under 20 years in the Service, } \frac{1}{2} \text{ of the amount of their Salary, Morning Money and Gratuity.} \quad ^{84}\]

This formula is based entirely on length of service, with twenty years of service acting as the focus for higher or lower pensions, and although half a clerk’s salary could mean a substantial amount, this is notably lower than the regular pensions given (see Table 1). The directors were

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\(^8\) Giuseppi, *The Bank of England*, p.90

\(^8\) Ibid., p.90

\(^8\) PP 1857 Session 2 [2216] Report of commissioners appointed to inquire into the operation of the Superannuation Act, p.xvi.

\(^8\) BEA G15/591 Secretary’s files: Superannuation Fund 27 September 1821-15 September 1949, p.1.
clearly attempting to gain a balance of an acceptable compensation for releasing their employees but keeping the costs down. This may have been why the 1810 Superannuation Act was useful. This Act had been passed as an attempt to curtail government spending after the Napoleonic Wars, and had been a ‘product of progressive forces’.\textsuperscript{85} It based its payments on fractions of twelfths of salary and was framed around ten-year milestones. For those aged below sixty with a medical certificate it granted between four-twelfths or a third of their salary for ten years’ service to eight-twelfths or two-thirds for over twenty years’ service.\textsuperscript{86} If you were over sixty and had served fifteen years or more, you were granted eight-twelfths or two-thirds of your salary, if over sixty-five and serving forty years or more, nine-twelfths or three-quarters of your salary and, finally, if you were over sixty-five and had served fifty years or more you received your entire salary. The Bank of England system was not based on age, but it did take length of service as the basis of calculating a pension based on a fraction of the employee’s salary. Notably other elements of the Bank’s pension customs, such as a consideration of dependents, was absent. Importantly, this system was not adopted for later pensions and was designed to meet a current problem. At this stage the government system may have answered a present need, but it did not suit the Bank’s directors for all pension provision.

The next attempt to adopt some regulation within the granting of pensions is attributed to the 1834 Superannuation Act. This Act gave a minimum pension of a quarter of an employee’s salary after ten years’ service and a maximum of two-thirds of salary for over forty-five years’ service. It also saw some civil servants paying contributions to a superannuation fund, set a compulsory retirement age of seventy and established the Treasury as the centralised focus for assessing applications, stating that good conduct was a requirement and retirement before the age of sixty had to be proved to be due to ill-health.\textsuperscript{87} Many of these features already existed within the Civil Service pension system, but the Act formalised and regulated the system through law, it was also during a period when the government was attempting to make savings but extend the power of the Treasury.\textsuperscript{88} The Bank of England was influenced by this Act, and began to use the scale of pension payment based on length of service from about this time, and maintained it for over thirty years.\textsuperscript{89}

\textsuperscript{86} PP 1857 Session 2 [2216], p.v.
\textsuperscript{87} Ibid., p.vi-vii, p.xii & p.xv.
\textsuperscript{89} BEA M6/61 Special Committee on the Examination of the Clerks and Pensions. 22 September 1870, p.15.
The adaptation of the Act suited the Bank for several reasons. It gave a framework within which it could calculate the growing number of pensions and prevented the large payments given to employees of the Exchequer’s Office or porters as seen in Table 7. However, it also maintained the Court of Directors’ flexibility, as seen with the case of Robert Browning at the beginning of this chapter. Due to his length of service of over forty-five years, there was a clear and established calculation to determine his pension, and as no further justification for a pension was needed this meant the Court of Directors did not need to get involved or refer to employees’ personal circumstances if they did not want to.

Other funds at the Bank of England

Part of the reason this loose pension system was maintained for so long, despite the changes in superannuation regulation ongoing within the British Civil Service, was that there were several other mechanisms to support workers and their families if in need. The Widows and Orphans Fund dated back to 1764 and provided extra insurance to employees’ families through the collection of subscriptions. In 1791, the Court of Directors began to contribute to the fund, initially purchasing £1,200 worth of stock ‘for the benefit of the fund for making donations to the widows of the officers of this House, of which Edwards Payne Esq. is Treasurer.’90 Between 1791 and 1821, the value of the fund grew due to sums paid in from dormant accounts, unclaimed dividends, allowances paid by the government for clerical works on loans and contributions from staff.91 As the funds grew, so did the annual sum to be granted to widows and orphans, rising from a total of £500 in 1791 to £1,000 in 1802 and £1,200 in 1810.92 By 1861, the amount of £1,200 had only been exceeded in 1855 and 1856 when £1,300 was paid out.93 It is not surprising that these years also saw a gratuity of 10% paid to clerks due to the perceived increase in the cost of living.94

The 1850s brought a reassessment of the Civil Service superannuation, but it did not lead to the Bank of England examining their pension provision. One reason for this is that out of the major changes to the retirement provisions for civil servants was the shift from a contributory fund to a non-contributory fund and the Bank of England had never taken contributions towards pensions. Another reason was that civil servants were campaigning on account of a lack of

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90 ‘Memorandum relative to the Directors’ Charitable Fund’ in BEA E18/13 – Pension and Other Fund: Directors’ Charitable Fund, 1851-1959.
91 Ibid.
92 Ibid.
93 Ibid.
provisions for their families within the superannuation system.\textsuperscript{95} The Bank of England did not have a formal pension provision that systematically considered employees’ families, but they did consider families and dependents on an ad hoc basis and also had a well-established Widows and Orphans Fund.

Instead of re-evaluating their pension provisions in the 1850s the Bank of England decided to alter the scale and conditions of the Directors’ Charitable Fund, as the Widows and Orphans Fund had become known. Since 1827 the amount granted to widows was based on occupation, or the length of service, of their late husband. For a clerk’s widow allowances started at £25 if the husband had served for ten to fifteen years and went up to £33 if he had served for twenty years or more. For porters and heads of offices’ widows there were set allowances of £12 and £40 respectively.\textsuperscript{96} The circumstances of the widow were only made part of the fund’s conditions from 1829 but from September 1854 the scale of allowance was changed to account for the age of widow rather than her husband’s length of service (though the amount given to porters’ widows remained the same).\textsuperscript{97} This scale started at approximately £19 for widows between twenty-five and thirty years of age, up to approximately £32 for those fifty years old and over. The focus had turned from the Bank employee to the widow with conditions of payment now based on her situation and her age, though the responsibilities of her husband were not totally forgotten. From 1854 another condition of payment was added that stipulated that for widows and orphans to benefit from the Fund, the husband and father had to have been subscribed to the Bank Provident Society, and consequently the amount granted from the Fund should be of an equal, or lesser amount, to what was owed to her through the Provident Society.\textsuperscript{98} This is a clear attempt to encourage the Bank’s employees to make their own provisions for their families, and was seen at the time as a way of merging charitable aspects of the Fund with the insurance principles of a provident society. This was arguably a successful move for the Fund as by the end of 1870 the Directors’ Charitable Fund was paying out £4,317 to 167 widows, a considerable jump from the reported payments of £1,300 in 1855 and 1856.\textsuperscript{99}

By creating the Bank of England Insurance, Annuity and Investment Association (that was later referred to as the Bank Provident Society), the Bank not only extended the principles of insurance into its charitable acts, but also into recruitment. A condition was added that ‘no

\textsuperscript{95} See Chapter 1 for an examination of the campaigns leading to the 1859 Superannuation Act.
\textsuperscript{96} ‘Memorandum relative to the Directors’ Charitable Fund’ in BEA E18/13 – Pension and Other Funds.
\textsuperscript{97} Ibid.
\textsuperscript{98} Ibid.
\textsuperscript{99} ‘Secretary’s Department, July 1869/March 1871’, in BEA E18/13 – Pension and Other Fund.
clerk [shall be] henceforth admitted into the service of the Bank who shall not, on medical examination, appear to be an eligible life for insurance.¹⁰⁰ Though membership of the new society was not compulsory, the Bank took measures to ensure their employees were a good bet, with regards to their insurance payments, which inadvertently made them more likely to receive large pensions for long service. The Charitable Fund and Provident Society also had a more precise and mechanised system for calculating payments at this time compared to the pension scheme and suggests that the Bank’s directors felt uncomfortable with being expected to give charitable support without any conditions or infrastructure. Markedly, all these schemes, from the pension to the charitable fund, required ten years of service as a minimum before a case would be considered. Loyalty, therefore, was laid down as a fundamental prerequisite for any financial support from the Bank.

However, earlier, in 1854, another charitable fund was founded, one without the restrictions imposed by the Directors’ Charitable Fund. This was called the Samaritans Fund and it was created on 3 August 1854, a month before the new regulations on the Directors’ Charitable Fund and creation of the Provident Society.¹⁰¹ The Samaritans Fund was to be financed from the poor box and was created for ‘the relief of the clerks and porters in special cases of sickness or necessity, at the discretion of the Governors’.¹⁰² It is not clear from the Court of Directors’ minutes nor the Committee of the Treasury if there was a call for further help for clerks and porters possibly not supported by pensions or insurance. There may have been a gratuity increase to salaries to assist employees from 1856, but this did not exist in 1854 and, as we have seen, the creation of this fund was coupled with a change to provisions to support an employee’s family.

The poor box was kept by the head doorkeeper and composed of fees paid upon deposit of plate and fines paid by directors for non-attendance. Prior to 1854, these fees were allocated to the Directors’ Charitable Fund and so changes to their destination may have anticipated the further changes coming to that Fund that were realised the following month.¹⁰³ The allocation of a guardian in the doorkeeper, suggests that this was a real box that these fines could be paid into, and as a result the Fund may have been publicised through its physical appearance. However,

¹⁰⁰ BEA G8/36 Committee of Treasury Minute Book, 1854, p.137.
¹⁰² Ibid., p.109.
current research has not been able to determine what the Bank of England staff knew about this Fund and how many claims were made upon it.

In the years between 1834 and 1870 the Bank of England and, overall, its employees, were happy with the dual systems of an informal non-contributory pension for their retirement and formalised insurance schemes for their families. This met the Bank’s desires to ensure a thrifty and secure workforce, but also maintained their perceived responsibilities in providing support for retirement. For the employees, the grievances of the civil servants of the 1840s and 1850s were not something they had to be concerned about. The insurance schemes, partly funded by the Bank, gave them some security for their families in the event of their deaths, but they also had the possibility of obtaining a pension in old age or ill-health. The use of a scale may not have made the provision formal but it had given employees an ‘indication’ of what they could expect.\textsuperscript{104}

However, this informal system would not survive into the final quarter of the century. The Bank may not have employed a vast number of clerks but it was increasingly competing with growing private and public institutions that required clerks and were making formalised pension schemes as part of their employment offer. As the market for clerks became more competitive the Bank began to realise its handling of pensions would have to change.

\textbf{The Introduction of Regulation from 1870}

The informal adoption of the 1834 Superannuation Act pension scale effectively laid the bedrock for the Bank’s directors to accept a more formal system after 1870. The changes that were eventually implemented were put together by a special committee appointed to look at the current rules for the examination of clerks entering the service and the granting of pensions to clerks quitting the service of the Bank of England.\textsuperscript{105} The special committee was appointed on the 22 September 1870 and consisted of Mr George Lyall, the deputy governor, and two other directors, Mr Thomson Hankey and Mr James Pattison Currie. The report, including an extension to look at the pensions of porters and other employees alongside clerks, was compiled in just over a month, and exactly eight weeks from when the committee had been appointed, its proposals for pensions had been largely approved.\textsuperscript{106}

\begin{footnotesize}
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\item \textsuperscript{104} BEA M6/61 Special Committee on the Examination of the Clerks and Pensions, p.15.
\item \textsuperscript{105} BEA G4/93 Court of Directors’ Minute Book, 1870, p.162. The final report was dated 26 October 1870 and signed by G. Lyall, the Deputy Governor. By 17 November the new regulations for pensions had been accepted with a few exceptions.
\item \textsuperscript{106} Ibid., p.216.
\end{itemize}
\end{footnotesize}
The report principally focused on the recruitment of new employees and the problem that the ‘abilities and aptitude’ of those employed were not improving nor meeting the needs of the Bank. Nominated candidates had been interviewed and examined from the start of the nineteenth century but, as the report stated, the examination simply ‘consisted in addition of a few figures and the counting of a bag of silver coin’. This had been amended with a more formal system in 1852 and candidates were subsequently asked to ‘write from diction, write and add a column of figures and work out a simple sum in division and interest’, this appears to have worked for the Bank’s purposes, but two factors appear to have hindered this by 1870. First, following the establishment of the Civil Service Commission in 1860, the government had introduced a more complex series of educational tests for employees which had become ‘prejudicially to the Bank’. As a result, the best candidates were going to the Civil Service leaving the Bank with applicants whose ‘abilities have not been found competent to obtain employment elsewhere’. However, the standard of the test was not the only problem. The special committee not only argued that the Bank should set higher standards of attainment, but that more weight should be given to the examination results in recruitment. Though they still valued the use of patronage to ensure a good ‘general character’ and ‘moral tone’, the examination process was leaving the Bank with the Civil Service’s left overs.

The urgency of the problem is apparent within the Court of Directors’ minutes: it was noted on 27 October 1870 that three out of the seventeen most recently elected individuals had been reported as ‘unsuited for the duties imposed upon them’. The individuals were not named, and the dedication to the patronage system is clear when it is decided that they should be kept on as it was understood ‘that vacancies may soon arise in an office where they [could] be profitably employed’. Though James Currie, one of the three members of the special committee, did not hesitate to underline that a ‘more rigorous examination than the one now in force on admission would have probably excluded them to the benefit of others more adapted for the service’. The report had been finished by this stage but not yet presented to the Court of Directors so it is possible that Currie was laying the groundwork for changes that were to be

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108 Ibid., p.2.
109 Ibid., p.2.
110 Ibid., p.2.
111 Ibid., p.2.
112 Ibid., p.1.
114 Ibid., p.171.
115 Ibid., p.171.
proposed in the report. Examinations would not only provide better employees, but they would also remove the embarrassment of finding places for those who had been admitted and then found lacking.

There was a clear and urgent need for examinations to be revised but the need to change the pensions system appeared less urgent and less explicit. A pension from the Bank was seen as necessary as it was an established custom, the Bank had always provided for employees in advanced years or illness, so this should be continued.116 The problem appeared to lie in the fact that it was not a formal and regulated system. The Bank had adopted the scale of payment from the government’s 1834 Superannuation Act aimed at the Civil Service but had largely ignored the other aspects of the government system which had been installed in 1834 and 1859. The committee was now interested in these other aspects and the report focused on the government’s policy related to age and the scale of payment. The report endorsed the implementation of a minimum age of retirement at sixty (unless ill-health could be proved) and a maximum age of service at sixty-five; furthermore, the scale of pensions adopted from 1859 was praised as it increased with every year served.

The justification for the adoption of a scale similar to the one used by the Civil Service from 1859 was based on the advantage that it increased annually. The special committee felt that, overall, employees were happy with the pension, but the period of ‘seven years which elapse[d] between the advances in the scale, [was] often a source of anxiety, especially to clerks in ill-health’.117 They believed that the prospect of incremental increases encouraged workers to stay on in roles they were no longer suitable for with the hope of achieving an increased pension.118 Their reasons were aimed at ensuring a healthy and efficient workforce alongside meeting the perceived anxieties of staff members. The previous scale was based on twelfths and increased when an employee had worked for the Bank for seventeen, twenty-four, thirty-one, thirty-eight or forty-five years. The new scale the Committee proposed was on a scale of seventy-fifths, starting with a pension of fifteen-seventy-fifths after ten years’ service, up to a maximum of fifty-seventy-fifths or two-thirds for employees who worked for forty-five years or over.119 This was a slightly different scale to that of the Civil Service, which was based on a scale of sixtieths, but it otherwise followed the same principle. In addition, workers would now be able

116 BEA M6/61 Special Committee on the Examination of the Clerks and Pensions, p.15.
117 Ibid., p.17.
118 Ibid., p.17.
119 Ibid., p.19.
to apply for a pension at the age of sixty but would be effectively asked to retire at sixty-five. Retiring at sixty still left them subject to the scale, but pensions given at the age of sixty-five were at the maximum of two-thirds of their salary. The adaptation of some of the Civil Service superannuation policies could be seen as representative of the more arm’s length approach the Bank and the government had at this stage. After the changes in 1834 the Bank had informally taken the government’s scales and used it within their own mechanisms. However, by the middle of the nineteenth century it was possible that there was a greater inclination to question government policy. Relationships had become strained whilst Gladstone was Chancellor of the Exchequer, and the Treasury was increasingly looking for greater independence from the Bank of England.¹²⁰

The Bank was also explicit in its desire to maintain its discretion in administering pensions. The Treasury had been given some power to alter the pensions granted through the 1834 and 1859 Act, but the Bank went further with the power to apply flexibility to the age of retirement as well as amounts granted. The directors ensured that they could keep employees on after the age of sixty-five if they were seen to still be of useful service.¹²¹ This desire to maintain flexibility demonstrates the important role the Committee of the Treasury and Court of Directors were seen to take in each retirement application, and there was no desire to take away their power in overseeing and influencing the amounts granted.

The introduction of a scale and rules and regulations around pensions took away some of the informality around the system, but it was important to the Bank that some level of discretion remained. Unlike the Civil Service after 1859, there was no application form for employees or their superiors to complete. Instead, employees were required to write to the Committee of the Treasury to inform them of their application to leave the service. Unfortunately, none of these letters remain; all that exists are the entries in the Committee of the Treasury minutes. These entries are short and can appear abrupt in their nature. A name is given with the role and length of service and the amount recommended for pension. It is impossible to know how much discussion went into granting these pensions. In many ways the personal statement on character given by the Post Office secretary on behalf of postal employees provides a greater insight into the working lives of these employees, but despite the Post Office’s attempts to influence the


Treasury pensions, this was limited within the rules and regulations that existed.\textsuperscript{122} The flexibility within the Bank of England’s system is apparent within their earlier allocations of pensions. William Chimner petitioned the Committee of the Treasury to allow him to resign in August 1821. He had served the Bank for twenty-three years as a clerk in the Cash Book office, but felt he needed to retire due to an ‘affliction of the spine’, this was affecting his arms and hand and he believed it would turn him into ‘a perfect cripple’.\textsuperscript{123} His petition was supported by the Committee of Inspection and the Committee of the Treasury subsequently recommended that the Court of Directors accept Chimner’s resignation and grant him a pension of £200 a year.\textsuperscript{124} Chimner had been earning £220 a year: this was, therefore, a large pension for a service of twenty-three years and clearly based on the severity of his affliction.\textsuperscript{125} The Bank’s desired flexibility is demonstrated in the range of ways the Bank chose to categorise their payments: it not only gave pensions, but also donations or gratuities where it sought fit. For example, in October 1841, the house porters stationed at the Liverpool branch were discussed. Edward Taylor had been porter at Liverpool since January 1839 and Robert Chinery had been porter since July 1840, but they had both been unable to work for one or two months in 1841 due to ill-health.\textsuperscript{126} This absence so soon into employment led to the request for their resignation, but it was decided to give them both a ‘donation of £20 on their retirement’.\textsuperscript{127} The ages of Taylor and Chinery are not mentioned, but the Treasury’s language stipulates that they would like to see this as a retirement, rather than a dismissal of the men.

As well as the policies adopted and adapted from the Civil Service Superannuation scheme, it is also notable what was ignored. During the 1850s, the British government debated and passed committee reports and Acts regarding pensions and as this was a time both Lyall and Hankey would have been MPs, it is very likely they would have been aware of them.\textsuperscript{128} Principally, an important feature of the 1834 Act that was abolished in 1859 was employee contributions. The main aim of the government in taking contributions from employees was for economic prudence, yet this had always been absent from discussions at the Bank of England.

\begin{footnotes}
\item[122] See Chapter 3 on the Post Office for further discussion on the pension applications.
\item[123] G8/20 Minutes of Committee of Treasury. 1821, p.216.
\item[125] E46/1 Pension Book.
\item[126] G8/32 Minutes of Committee of Treasury. 1841, p.46.
\item[127] G8/32 Minutes of Committee of Treasury. 1841, p.47.
\end{footnotes}
There are a number of reasons the Bank may have wanted to avoid contributions. First, the Bank did not employ as many people as the British government did, and it may not therefore have had enough contributors to make such a fund actuarially sound. It is also possible that, if the Bank had suggested introducing contributions, it could have come under the same criticism as the government in the 1850s. Many civil servants argued that they were being forced to pay into a pot from which they would not reap the benefits, since they were statistically unlikely to live until pensionable age.\textsuperscript{129} Furthermore, although the Bank of England is historically seen to be a good employer, giving staff good wages, salaries were still a matter of contention for employees. The 1850s saw petitions from clerks for the Bank to pay their income tax, this was refused but they were granted a 10\% gratuity on salaries that was also paid in 1856, 1857, 1860 and 1864.\textsuperscript{130} The gratuity was decreased to 5\% in 1865 and was followed by petitioning from clerks for a permanent salary increase.\textsuperscript{131} The clerks’ petition did not plead abject poverty, but appealed to the Bank’s desire for clerks of good character and morality; the 558 clerks that signed declare they were in ‘much difficulty in meeting their unavoidable expenses and maintaining their social respectability’.\textsuperscript{132} They also emphasised the increase in the cost of living, including rents and emphasised that this was a call for help not a revolt, stating ‘they humbly hope that the Governor will not look upon their petition as a token of discontent’.\textsuperscript{133} This petition was somewhat successful and a subsequent special committee report recommended a moderate increase as well an increase in the speed of wage progression to the maximum for particular roles.\textsuperscript{134} Following this success it is not surprising that a petition from the doorkeepers, watchmen and porters followed in July 1866, they were also successful and ninety people saw a salary increase costing the Bank an extra £720.\textsuperscript{135} Finally, as mentioned above, the Bank already had a number of insurance funds that were contributory and were aimed at providing for employees’ families rather than their retirement.

With a formal review of salaries in 1865 and then a review of pensions within the following five years, contributions may not have been worth considering due to the inevitable impact on salary. However, it is important that contributions were not considered and then ruled out, they

\textsuperscript{129} Civil Service Gazette, 1 January 1853, p.7.
\textsuperscript{130} Giuseppi, The Bank of England, p.123.
\textsuperscript{131} Ibid., p.123.
\textsuperscript{132} BEA G4/88 Court of Directors’ Minute Book, 1865, p.201. Number of petitioners referred to on p.211.
\textsuperscript{133} Ibid., p.201.
\textsuperscript{134} Ibid., pp.221-224.
\textsuperscript{135} BEA G4/89 Court of Directors’ Minute Book, 1866, p.89.
were not mentioned at all.\textsuperscript{136} This has probably more to do with the perceived customs of employment at the Bank. Employees were still expected to provide personal securities when they joined; after 1841 a Guarantee Fund had been established to allowed employees to pay in £5 and enter a bond of £1,000 to effectively insure against any losses sustained through their acts or defaults.\textsuperscript{137} In contrast, pensions had been given without preconditions aside from a loyal service and an inability to perform their duties due to ill-health or old age. A certain level of financial responsibility was expected from employees at the point of recruitment as a way of ensuring respectability and to cover any misdemeanour. But if their service was long and loyal the responsibility moved to the Bank as employer and meant employees could expect financial security through a good salary and pension if they required it. The special committee took its cue from what had proceeded before and opted to work within that framework. The framework was one that gave a percentage of salary to employees who were unable to work due to age and/or illness and did not rely on employee contributions.

Another aspect the government examined in 1857 was the question of an employee’s family and their claim on pension. This was part of the contributions debate and the 1856 Select Committee argued that by eliminating contributions the claim from an employee’s family was also removed. Since it appears that the Bank of England had never asked its employees to contribute to a pension fund, it could be considered that family were not a concern. Furthermore, since 1764, employees of the Bank had access to a subscription fund for widows and orphans, that later became a separate provident society with insurance policies. However, this did not mean that the Bank felt no responsibility toward the families of employees and, as the previous examples of early pensions in the nineteenth century demonstrate, the consideration of an employee’s family and dependents could feature not only in calculating their pensions, but separate payments could also be made to family in certain circumstances including an employee’s death. Whereas the government associated extending assistance to an employee’s family with ‘Old Corruption’, the Bank felt a tie of loyalty to family through the employee.

Even after 1870, when the Bank’s pension system had been formalised, the Bank continued to support employees’ families. In 1874, Mrs Bowyer, widow of George J. Bowyer, the late

\textsuperscript{136}\textsuperscript{136} The Royal Commission on Civil Service Superannuation in 1857 has a similar problem that salaries had recently been altered and did not want to increase them to accommodate contributions. PP 1857 [2216] Report of the operation of the Superannuation Act, pp.vii.

\textsuperscript{137}\textsuperscript{137} Prior to 1841 clerks could be expected to provide details of a guarantor to ensure any financial loses could be met. Acres, \textit{The Bank of England from Within}, pp.132 and 488-489.
deputy principal of the bullion office was granted a pension of £4 a week. The reasons for this are vague and the Committee of the Treasury minutes suggested there had been some petitioning from within the Bank, including the chief cashier, and noted that their decisions had been made in relation to the circumstances surrounding the retirement of Mr Bowyer. These circumstances are not elaborated on, but from this example we can see that the Bank has taken some responsibility for Mrs Bowyer and granted her a substantial sum, a pension of almost £208 a year, which did not come from any of the funds created for widows. Similarly, the widow of Mr Ayloner, the late chief accountant was granted a pension of £50 a year in 1885, and in 1893 a ‘compassionate allowance’ of £600 a year was granted to Mrs May, the widow of the late chief cashier. The Bank was clearly willing to give out large sums of money to these women if they were heard to be in need, but it is also notable that they were wives of some of the most important and well-paid employees. It may have been in the Bank’s favour to help the families of those in the highest positions to maintain their reputation as a good employer and the appearance of respectability, but these employees would also have been in the greatest position to make their own provisions.

Nevertheless, the loyalty felt by the directors of the Bank of England was not felt in all circumstances and not extended to everyone. In May 1821, Sarah Richards sent a petition to the Bank; the Committee of the Treasury minutes did not note her request, but they include the detail that she was complaining of the conduct of her husband, William Richards, since he had resigned from the Bank earlier in May 1821. Richards retired on 3 May 1821 from the Chief Cashier Office and was granted a pension of £200 a year following twenty-eight years of service. The pension book notes that Richards had a wife and child, although this is not mentioned in the Minutes of the Committee of the Treasury or Court of Directors. In it unclear how Mr Richards’ conduct had changed upon retiring or what Mrs Richards was petitioning for, but the Bank simply acknowledged and then dismissed Mrs Richards’ petition. The directors’ role with the family had stopped after giving her husband a pension: the concern the Bank had regarding an employee’s conduct appears to have ended at their retirement.

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138 BEA G4/96 Court of Directors’ Minute Book, 1874, p.211.
139 BEA G8/42 Committee of Treasury Minute Book, 1874, p.89.
140 Mr May’s allowance was reduced the following year to £200 a year. BEA G16/4 Secretary’s Historical Index P-Z.
141 BEA G8/20 Committee of Treasury Minute Book, 1821, p.200.
142 BEA E46/1 Pension Book.
However, this did mean that the Bank’s interest in an employee’s conduct could influence how and what pensions were initially granted. This is demonstrated in the case of Archibald MacLaine, a clerk in the Power of Attorney Office, who was asked to retire in April 1871. He had been suspended for coming to work in an ‘unfit state’ and thought to be drunk, but as the Committee of Inspection investigated his case they found that problems had begun a few years earlier following a blow to the head in a previous role in the Bank’s branch in Manchester. He had suffered a paralysis and was sometimes seen to be confused; following an examination from Mr Smee, the Bank’s resident doctor, it was concluded that his ‘mental state [was] indifferent and that he appears stupefied’ due to both the accident and bad habits. It was concluded that he should receive a pension, but that this pension of £120 a year should be paid to his wife. MacLaine was no longer felt to be a suitable employee and thought to be suffering from a previous injury and a drink problem, and consequently the Bank saw his wife as the sensible recipient for the payment of the pension.

The more formal regulations introduced in 1870 brought the Bank of England more closely aligned to the contemporary superannuation provisions of the Civil Service. There was set regulation of what age pensions could start, the role of medical certificates and an age of compulsory retirement, alongside a scale of pension based on salary that increased annually. This allowed certain measures that would ensure efficiency amongst the workforce and keep the cost of pensions down. Nevertheless, by maintaining elements of a traditional pension system that was non-contributory, as well as developing a separate insurance fund for families within their pension system, the Bank had also managed to avoid the grievances the civil servants had campaigned against. However, the insurance provisions were not as satisfactory as the Bank had hoped and needed further amendments after 1870.

Other Funds after 1870

By 1889, the purpose and role of the Directors’ Charitable Fund were being questioned by the Bank. Although seen as evidence that the directors’ ‘interest in the welfare of those engaged in the service’, it was thought to be ‘unintentionally but practically’ weakening ‘that sense of duty which should lead every man to do his utmost to make definite and sufficient provision for his

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144 Ibid., pp.25-28.
145 Ibid., p.27.
146 Ibid., p.28.
The provisions of the 1850s had not been successful in their desired aim, furthermore, in light of the 1870 regulations for pensions, the structures surrounding the Directors’ Fund looked flimsy and lacked clarity. The heads of departments used a memorandum of 1889 to call for the directors to act and make allowances ‘like clerks’ pensions, on a regular known principle with the general understanding that each should receive, in the first instance, the sanction of the Governor’.  

Although the discretion of the directors and the Governor were still underlined as being important, the memorandum asked for a clear framework to enable clerks to plan and make provisions. The 1870 report on pensions had highlighted that clerks were willing to plan and make sacrifices for their retirement. Under the old pension scale, workers were working for longer, and suffering from illnesses, in order to meet the criteria for a slightly increased scale of payment. For example, Mr Chandler, a bullion porter resigned on 7 October 1841 on account of being sixty-six years old, almost blind and suffering from rheumatism. The following week the Committee of the Treasury had a similar case. Mr James Jackson, an inspector, was sixty-four and had lost the use of one side of his body due to paralysis. The new regulations in 1870 hoped to prevent such deterioration of employees by allowing annual increases of pensions by fractions of seventy-fifths. The memorandum on the Directors’ Fund in 1889 was effectively calling for something similar, looking for a simple mechanism that could ensure the best deal for their widows and orphans through both insurance and the Directors’ Fund.

After 1870 the Bank of England’s pension system had been established as an important part of recruitment as well as maintaining an efficient workforce, but still carried characteristics of tradition and custom originating in the eighteenth century. The insurance provisions were integral to the pension system, filling in the gaps and maintaining traditions of thrift amongst middle class employees. Families no longer had to provide a focus for the pension system, though directors still enjoyed using their discretion for the families, especially for employees of a higher social standing. They also still took an interest in the family conditions of employees when granting pensions and were willing to operate outside of the strict guidelines. Nevertheless, just as a competitive workforce had encouraged tightening of recruitment and

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147 “Memorandum on the Directors’ Fund, January 1889”, in BEA E18/13 – Pension and Other Fund.
148 Ibid.
149 BEA G8/32 Committee of Treasury Minute Book, 1841, p.39.
150 Ibid., p.45.
pension regulations, the increasingly savvy workforce was also forcing better regulations of the Bank’s insurance schemes.

Conclusion

The Bank of England was one of the oldest institutions to provide a pension scheme for employees of all grades. It was a generous scheme and for many years sought to ensure loyalty amongst its staff through an apparent discretionary system whereby the Committee of the Treasury could determine the amount of pension on a case by case basis. Without a formal and regulated scheme in place until 1870 the provision of a pension was arguably an uncertainty for employees. However, the frequency of pensions granted to all grades suggests employees knew this was a benefit available to them and the 1870 report noted that employees were planning their retirement around the informal scale adopted from the 1834 Act. Over time the payments made as gifts were becoming an expected part of service, something workers earned and could expect at the end of a long service. Alongside internal systems of insurance for widows and orphans, employees appeared to be happy with the system of benefits.

Nevertheless, towards the end of the century, these benefits were being viewed as inadequate for an informed workforce who wanted to plan for the future. Increasing numbers of employers offered similar provisions and if the Bank wanted the best employees, they had to provide more formal and accountable systems. Pensions and patronage were part and parcel of the Bank of England’s management style, instilled through over a century of practice and custom, and the relationship between the employer and employee rested on practices such as the pension. Recruitment and retirement were closely linked in shaping this relationship and over time the shape of this relation had changed giving more power to employees without the need to agitate or lobby.

This is demonstrated in the autobiography of Herbert de Fraine, an employee of the Bank of England from 1886, when he was just sixteen years old. De Fraine saw his pension as a deferred payment, part of his salary that he would receive when he was no longer fit to work. As with the 1870 committee report, de Fraine combines thinking about pensions and recruitment. He reflects on the meaning of a pension when discussing his recruitment through the nomination

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151 This echoes the paternalistic relationships discussed by Leslie Hannah in early pension systems which were charitable gifts but became part of a ‘system of reciprocal obligations’. L. Hannah, Inventing Retirement: The Development of Occupational Pensions in Britain (Cambridge, 2009), p.8.

of John Gellibrand Hubbard, a director at the Bank who sadly died the year de Fraine was employed. Due to this sudden death, and de Fraine’s employment, he saw his role as linked to that of his patron: he stated that ‘if a pension counts as deferred payment for service, between us we have served the Old Lady for hundred twenty years’. Pensions, then, were seen as a due to be paid on account of long and loyal service and as important as the patronage system for instilling loyalty into the employment system.

Chapter 5
Aspiration and Superannuation: The Railways and Pensions

*I beg your pardon, gentlemen, but you have deducted money from my salary for some years, for a superannuation fund. As I shall not remain to reap the benefit, will you return me the deductions, in all, about £30?*

“How long have you paid?” enquired Mr McLion.

“I have not paid at all, sir,” I said, “the money has been stopped; and some of it even before the rules were issued.”

“How long have you paid?” repeated Mr McLion, “there was an Act of Parliament for what we did.”

“It has been stopped about nine and a half years.”

“Then,” said Mr McLion, “you will not get one penny of it. The Directors do not consider any application unless the applicant has paid for 10 years and over.”

Ernest Simmons, *Ernest Struggles*, 1880

In 1879 and 1880 Ernest J. Simmons published a two-volume semi-autobiographical account of life as a station master for the Great Western Railway. In contrast to the majority of railway histories published in the nineteenth and early twentieth centuries, Simmons’ account presented a humorous and highly critical depiction of the railway industry. The Company’s directors were incompetent and the railway employees over-worked, unappreciated and underpaid. The suffering of Simmons’ central character, Ernest Struggles, is so extreme that at the end of the second volume he resigns from the service. Yet, even at this final encounter with the railway company, Struggles faces further maltreatment. First, one director, Mr McLion, unsuccessfully tries to get Struggles dismissed rather than accept his resignation; then Struggles attempts to reclaim the deductions made to his salary for a superannuation fund. Through the dialogue between Struggles and McLion we discover than an Act of Parliament justified the deduction.

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1 E. J. Simmons, *Ernest Struggles; or the Comic Incidents and Anxious Moments in Connections with the Life of a Station Master* (London, 1880), pp.235-236.
from Struggles’ salary without his consent. Furthermore, the unjust nature of the deductions is amplified by the fact that Struggles was not able to receive any of his money in return. Under the conditions of the scheme a railway servant was required to have paid into the fund for at least ten years before receiving any repayments, Struggles had only contributed for nine and a half.

In many ways, the representation of life working for the Great Western in *Ernest Struggles* is not entirely accurate. In his introduction to the edition published in 1974, the railway historian Jack Simmons noted that on matters of fact the work was ‘unreliable’, giving the example of an account of a ‘most awful smash at Bliston’ which never actually took place. However, Ernest Simmons’ depiction of the Great Western superannuation scheme was correct. The Great Western superannuation fund, like all railway superannuation funds, had been established following an Act of Parliament. In addition, like most of the railway superannuation funds it was based on a contributory system where 2.5% of employees’ salaries were taken and matched by the Company. After ten years of service an employee was eligible for retirement if unfit to work or over sixty. They would then receive a payment calculated on their length of service which would be converted to a fraction of their salary which, at the Great Western, was a sixtieth. If a member died before being superannuated the Committee, at their discretion, could pay his dependent a sum equal to his contributions to the fund, though each sum could not exceed half a year’s salary of the deceased. Additionally, if a member was to leave the service of the Great Western Railway but had been paying into the superannuation fund for ten years or more, they could, at the committee’s discretion, receive their contributions. This obviously meant that, as in the case seen in *Ernest Struggles*, if they had been working for the Company for less than ten years, they would leave empty handed. The time, name and location of events may have been shaped to fit Ernest Simmons’ narrative, but it is likely that his representation of the rules and regulations that governed the pay, pensions and working lives of employees was accurate.

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2 E. J. Simmons, *Memoirs of a Station Master* (London, 1974), p.vi. It is not clear is there is any family relationship between Jack Simmons and Ernest Simmons, but the historian’s interest in railway history generally is attributed to a childhood hobby of trainspotting rather than any family connection. See ‘Introduction’ of the Jack Simmons Collection at the University of Leicester: https://www2.le.ac.uk/library/find/specialcollections/universityarchives/catalogues/ula-d4-jack-simmons-collection (accessed 17 April 2018).

3 The Great Western Superannuation Act was passed in 1864.

4 The National Archive RAIL 410/2052 L and NWR Superannuation Fund Association constitution and regulations, memorandum giving history of fund, etc.

5 Ibid.
Furthermore, Jack Simmons’ introduction emphasised the value of *Ernest Struggles* in offering insights into the feelings and views of a middling railway worker—including his frustrations and ambitions—regardless of the historical inaccuracies.6 For Simmons the value of the work is its ‘fundamental truth, a truth not of fact but of feeling’.7 With regard to superannuation, *Ernest Struggles* is then useful on two fronts: it gives an accurate representation of the rules and regulations but, also, a valuable insight into how many railway workers may have felt about these schemes. The book does not mention the creation of the fund nor the start of Struggles’ payments into it, pensions are never reflected upon nor discussed over the course of his two volumes apart from the last two pages, when it is held up as a final injustice imposed upon workers. For Struggles, the superannuation was no benefit and provided no welfare safety-net to reward a long and troubled service, it was simply another way to short-change and exploit an abused workforce.

This view is supported, to some extent, by the historiography of railways and the management of their workers.8 Pensions and superannuation funds have been portrayed as part of the ‘new form of social contract’ devised by railway companies as a mechanism to ‘bind the railwaymen more closely to the service of the companies’.9 They formed part of the vision of the companies as a secure employer and though the standard of benefit could vary greatly and was not available to all, it was designed to create dependence upon the company and discourage workers’ independence.10 It is safe to say that history has not been kind to the railway superannuation funds. This is partly due to the focus on trade unions and labour movements within the history of labour since the 1960s. As the Webbs demonstrated in 1897, compulsory company benefit schemes and trade unions were frequently incompatible as the former prevented members from paying to join the latter.11 Additionally, the objective of tethering an

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7 Ibid., p.vii
employee to a company prohibited mobility which formed the ‘best possible bargain for the sale of his labour’.12

However, this focus on labour management has neglected the question of why these schemes were developed and maintained, as well as how employees felt about them. Audrey Caroline Giles’ 2007 doctoral thesis examining the employees of the London & South Western Railway made a start in filling this gap in the literature.13 Giles suggests that pensions and other mechanisms of welfare were more to do with the Company’s ambitions to appear like a generous employer to senior office staff than part of an aim to regulate order and discipline.14

Giles frequently looks to the paternalistic management styles of eighteenth-century employers and factory systems for comparative institutions. However, it is important to acknowledge that railways were not alone in developing superannuation schemes for the increasing numbers of white-collar workers in the nineteenth century, as previous chapters have demonstrated. The railways were greatly influenced by the Civil Service, East India Company and the Bank of England, not only in the design and regulation of superannuation, but also through the perceived social meaning of this provision for the growing numbers of clerks and salaried employees. When railway companies first began to discuss superannuation schemes it was to align themselves with these larger, more prestigious organisations. A superannuation scheme could add to the status of a Company. This was important for some companies in their early days and reflected in early superannuation discussions in the 1840s and 1850s. Alongside this pursuit of status was the unique pressure to do more to manage the risk of railway accidents. Superannuation funds were one way to provide insurance for employees and their families in the event of a life changing or fatal accident, and one of the first superannuation schemes that was established owed a lot to the company’s attempt to manage risk. However, most early superannuation funds were aimed at the salaried employees who were less likely to be involved in an accident, which may partly explain the slow expansion of superannuation schemes.

By the 1870s, there was a shift in how superannuation schemes were viewed by employees, and they were a benefit that was increasingly desired and anticipated in a new workplace. When the demand for clerks grew, and organisations were increasingly having to compete for workers, the superannuation scheme became an expectation rather than the exception. By the

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12 Ibid., p.551.
14 Ibid., p.257.
early twentieth century, paying into a superannuation fund was an activity that helped shape class identity amongst railway clerks.\textsuperscript{15} It was something they expected to pay into and, as a result, an increasing number of companies began to investigate and implement a superannuation scheme.

Nevertheless, despite the number of similarities between railway superannuation schemes and those provided by the government, East India Company and the Bank of England, there are also notable differences. The railways were an explicitly commercial enterprise: as a result, tension between providing welfare systems and generating company profit resulted in an emphasis on employee contributions and actuarial approval that did not exist in the organisations discussed in earlier chapters. This also resulted in a different expectation from employees towards the end of the century. Some of the cynicism of Ernest Struggles can be seen in evidence given to the 1910 Board of Trade inquiry into railway superannuation, but this was generally a criticism of how the schemes were run, not that they should exist at all. Ultimately, railway employees, at the start of the twentieth century, were most suspicious of the features of superannuation schemes that had been inherited from the older institutions, such as the Civil Service. The biggest objection was against pensions based on salary and length of service since they considered that it put unnecessary pressure on the superannuation funds’ finances. They may have desired a similar social standing to clerks in government and the City, but they held their employers in lower regard and did not trust their companies to design and manage financially sound retirement provisions.

This chapter will focus on the superannuation schemes developed by the Railway Clearing House and the London and North Western Railway Company in the mid-nineteenth century and then in the 1870s. Through these two companies’ individual schemes and the attempts to develop superannuation schemes for the entire railway industry, the changing motivations and limitations for providing pensions will become evident. As with the previous case studies the focus will be on the white-collared, salaried employees, a group of workers that were growing in number and strength at the end of the nineteenth century. This can be seen from the 1870s in the demands for better retirement provision alongside the mounting criticism and cynicism about the various superannuation schemes. As most schemes were contributory, they were

easily defined as deferred pay and viewed as an entitlement by employees, empowering them to campaign for a superannuation they could trust.

The First Railway Superannuation Schemes

From the 1840s and 1850s there were a number of attempts to create an industry-wide superannuation scheme. These early attempts were frequently aligned with the existing superannuation provision in the Civil Service and the Bank of England, which were used as justification and inspiration for developing a new scheme. The creation of the early superannuation schemes in the railway industry was not simply about managing a growing workforce; it was still comparatively small in these decades and the schemes were aimed at the salaried clerks rather than waged staff. They were more focused on aligning the status of railway work and companies alongside the historic positions of the Civil Service, East India Company and the Bank of England.

Initial attempts at an industry-wide superannuation scheme were led by the Railway Clearing House, a unique organisation that had connections to almost all railway companies across the UK. The Railway Clearing House was established in 1842 to meet the growing problem of distributing the income from journeys made by passengers and goods across routes operated by different railway companies. It was a membership organisation, maintained by the fees paid by various railway companies for the service of having the receipts of railway traffic distributed fairly. It was from this position that it started to investigate universal railway superannuation.

In the 1840s the Railway Clearing House was too small to create its own fund. In January 1842 the Company employed six clerks, and although this would increase to approximately 800 clerks in twenty years and reach over 2,500 by the turn of the century, the small numbers at the start of the Company's life did not warrant an independent fund. Consequently, the discussion that surfaced in 1844 focused on the creation of a Railway Fund, subscribed to by railway companies and their servants. It proposed that the Fund would be ‘enrolled under the acts regulating friendly societies’, being managed by a Company Committee of Management containing twelve individuals selected from the principal officers of the railway companies, two of which would be elected by subscribers. Although little survives to give a more detailed account of the motivations of this first proposal, it appears that it looked to the friendly societies for inspiration. It would have a management committee and adhere to the friendly society

17 TNA RAIL 1008/66 Letter from Alfred Beeston to C. A. Saundert, Great Western Railway, 25 March 1844.
regulations. It also generated considerable interest in the railway community. In March 1844, the provisional committee had nine members from eight companies with written support from a further five companies. Nevertheless, the scheme went no further and it can be presumed that a general consensus across the companies could not be achieved.

By the second attempt in 1849, there was a clear shift in the tone of the schemes that were being suggested. Now the focus was turned away from friendly societies and fixed upon government as the proposal suggested that the creation of a fund ‘similar in principle to that which exists in each of the Offices of the Government’ would be ‘highly advantageous to Railway Officers generally’. As a consequence, a committee was created with the express purpose of ‘ascertaining if the Government system of superannuation was applicable, or could be modified so as to be made applicable, to the establishments of Railway Companies’. The committee took the Superannuation Act of 1829 as their basis for the Civil Service superannuation scheme, ignoring the various amendments and variations across departments, describing the system as a contributory fund, graduated according to length of service and guaranteed by Government. It was a scheme that the committee preferred to any private form of insurance, noting that compared to the type of schemes based on assurance company tables that granted deferred annuities, the Government granted larger provisions at much earlier periods and was much easier to understand. The lack of actuarial calculations was noted but not criticised and was seen as being due to the advantages of having the guarantee of the state, though this did mean the railway companies had no way of knowing if the government system was sustainable. It was this apparent uncertainty and lack of transparency of the government system that led to the employment of Mr Ansell, the actuary from the Atlas Assurance Company, to determine if the government system could work for the railway companies. Following Ansell’s report, the committee recommended an amendment whereby railway companies should ‘imitate the example of government by guaranteeing and subscribing to the fund’ with the aim of reducing the amount members would need to pay through subscription.

18 TNA RAIL 1008/66 Letter from Beeston to Saunders, dated March 1845.
19 TNA RAIL 1008/66 ‘Proposal for creating a superannuation and widows’ annuity fund &c For the Benefit of the Officers of the Railway Companies in Great Britain’.
20 Ibid.
21 Ibid.
22 Ibid.
23 Ibid.
24 Ibid.
This proposal also included plans for a widows’ annuity fund and a benevolent fund based on those provided by the Bank of England and endorsed by Ansell.\(^{25}\)

In December 1851, the committee’s plans had progressed to suggesting the creation of a General Railway Association with responsibility for administering the superannuation and guarantee funds.\(^{26}\) Following two years of consultation, the superannuation scheme was a lot more conservative in its offerings. It had also added a number of other organisations that gave employees a superannuation to its list of influential schemes, including the Civil Service, the Bank of England, East India Company and insurance companies.\(^{27}\) The financial crisis that had spread across Britain following the railway mania was blamed for prohibiting previous plans for a general superannuation fund, but the author of the proposal was adamant that one was needed.\(^{28}\) The absence of a superannuation scheme was portrayed as a catalyst for even more financial suffering and public humiliation as companies failed to support their growing and ageing workforce. The proposal warned that without ‘immediate steps’ railway companies would soon find themselves ‘in a situation of considerable embarrassment’ but compelled by ‘necessity’ and ‘a sense of public duty’ to remove ‘old and faithful servants’, men who had given the best years of their lives to the company.\(^{29}\) Without a mechanism to remove these old employees the results could be expensive, either in keeping on inefficient employees or paying for their removal. The reference to ‘public duty’ suggested a shift in how the companies were viewing and portraying themselves. Like the large institutions that inspired the superannuation proposals, railway workers served the public and, consequently, ensuring an efficient service by pensioning the older, slower and incapacitated servants was part of their responsibilities to the public. Superannuation therefore was not just about financial or personnel management, it was part of a statement of who the railways thought they were and their relationship with the public.

Nevertheless, railway companies were governed by boards of directors who were responsible for ensuring a profit for shareholders, and the decision to provide superannuation schemes, even with employee contributions, was potentially expensive. As a result, the reasons for creating a General Railway Association to supervise a superannuation fund was justified as a

\(^{25}\) Ibid.
\(^{26}\) TNA RAIL 1008/2 Railway Clearing House Minute Book, 10 December 1851, Resolution 211, p.181.
\(^{27}\) TNA RAIL 1008/66 ‘General Railway Association for providing Superannuation & Guarantee Funds, and other benevolent objects’.
\(^{28}\) Ibid.
\(^{29}\) Ibid.
good financial decision. A proposal for the creation of the Association used estimates from actuaries to prove that a large pool of employees, more than could arguably be provided by one company, was needed to make the fund viable. Secondly, by sharing the day to day cost, the companies would also be sharing the financial risk, and a fund across several companies paying a fixed annual payment would be relatively safe from ‘any uncertainty arising from the feelings of a particular board of directors, or the state of depression or prosperity of a particular railway’. Finally, a superannuation scheme under a General Railway Association would ‘prevent invidious comparisons between different Railway Companies, and ... relieve them from the highly unpleasant task of adjudicating upon applications of this description without any recognised rule or principle for their guidance.’ All of these points were designed to attract the cooperation of company executives rather than the ordinary railway worker. The General Railway Association was styled as giving railway companies the opportunity of becoming an employer akin to the government and the Bank of England. It mitigated risk and cost by spreading this across the companies and consequently gave the companies the elevated status of competing for the same employees as these public institutions, as well as fulfilling a public duty.

Despite the detailed arguments for an industry-wide superannuation, these early attempts by the Railway Clearing House and its committee were ultimately unsuccessful. A year after the General Railway Association had been first proposed, and over three years since the committee had been formed to examine the subject of creating a superannuation akin to the government scheme, the committee was formally disbanded in December 1852. The work the committee had done was not completely lost and went on to influence the creation of the first formal railway superannuation scheme at the London and North Western Railway the following year. Yet, it would be another twenty years before the aspiration of an industry-wide superannuation scheme was realised through the Railway Clearing House. From these initial attempts the role and influence of government superannuation is clear, but it was not enough in itself to encourage companies to get involved. There would need to be greater outside pressure to push these private enterprises to provide retirement provisions for employees.

30 Ibid.
32 Ibid., p.1.
33 TNA RAIL 1008/3 Railway Clearing House Minute Book, 8 December 1852, p.26.
Public Duty and the Role of Accidents

Attempts to align the management of clerical workers with employers like the government, were not just about mimicking high status organisations. Another factor that contributed to the pressure for greater provisions for employees was the increasing anxiety regarding accidents on the railways.\textsuperscript{34} Accidents were used as a reason for enforcing strict obedience amongst employees through the publication of rule books, circulars and supervising work.\textsuperscript{35} Failure to adhere to the rules could lead to a serious loss of life. Yet, as Daniel Martin has shown, alongside the focus on ensuring that competent staff prevented accidents, there was also a sense that the utilisation of new technology in the railway inevitably led to accidents.\textsuperscript{36} This perception of the inevitable accident can be seen to a limited extent through the minutes of railway committees, suggesting a greater responsibility for employers to support their workforce in these types of events, and not just use them as scapegoats.\textsuperscript{37}

\textsuperscript{34} Ralph Harrington points out that the railways were a very safe mode of transport and in the period between 1850 and 1909 the number of fatal accidents per year fell from 6.9 to 4.0. However, despite the repetition of statistics and articles on the subject, the public’s anxiety about accidents increased during the Victorian period partly due its depiction in fiction and popular press: see R. Harrington, ‘Railway Safety and Railway Slaughter: Railway Accidents, Government and Public in Victorian Britain’, Journal of Victorian Culture, 8:2 (2003), pp.187-192.

\textsuperscript{35} Mike Esbester argues these techniques were not very effective in improving workplace safety arguing that workplace safety at the Great Western Railway only improved in the twentieth century through the ‘Safety First’ campaign; see M. Esbester, ‘Reinvention, Renewal, or Repetition? The Great Western Railway and Occupational Safety on Britain’s Railways, c.1900-c.1920’, Business and Economic History On-Line, 3 (2005), pp.4-6.


\textsuperscript{37} Esbester examines why the government did not get involved to regulate railways more until after 1913, arguing that it was because the railway companies were able to ‘deflect state interest’ partly through the strong representation of railway companies in Parliament, and persistent arguments that the companies would deal with it independently; see M. Esbester, ‘ “No Good Reason for the Government to Interfere”: Business, the State, and Railway Employee Safety in Britain, circa 1900-1939’, Business and Economic History On-Line, 4 (2006), p.5. Rande Kostal also argues that the lack of enforcement of compensation payments to railway employees gave railway companies no financial incentive to improve safety at work: see R. Kostal, Law and English Railway Capitalism, 1825-1875 (Oxford, 1994), pp.254-321. Other work that discusses the nineteenth century and accidents include T. Crook and M. Esbester, (eds), Governing Risks in Modern Britain: Danger, Safety and Accidents, c.1800-2000 (London, 2016), I. L. Bronstein, Caught in the Machinery: Workplace Accidents and Injured Workers in Nineteenth-Century Britain (Palo Alto, 2008) and B. M. Hutter, Regulation and Risk: Occupational Health and Safety on the Railways (Oxford, 2001). A work that does not look at railway accidents specifically, but provides a useful introduction to the historiography of occupational health is P. W. J. Bartrip, The Home Office and the Dangerous Trades: Regulating Occupational Disease in Victorian and Edwardian Britain (Amsterdam, 2002), pp.1-35.
Impetus for superannuation schemes in the 1840s and 1850s either arose from opportunities related to the business of passenger insurance against accidents or external pressure from officials related to company compensation to families. The responsibility and role of the railway companies in the event of an accident provided some motivation to examine wider welfare for employees, but it was not enough in itself to sustain momentum for change. The Railway Clearing House’s 1849 examination of a universal superannuation fund had been prompted by the creation of the Railway Passenger Assurance Company. This insurance company had been established to allow passengers to insure against the frequent railway accidents by paying a small additional fee to their railway ticket. This insurance would pay compensation regardless of whether the railway company and its servants were deemed to be negligent, and also proposed that parts of its profits should be paid to railway clerks, guards, engine drivers and stokers, signal-men and points-men, as an incentive for them to ensure travel was safe. In September 1849 the Passenger Assurance Company proposed that they pay the railway companies 10% of their gross profit in return for the railway companies and their servants handling the assurance company’s business. A pamphlet on the aims and purpose of the Railway Passenger Assurance Company, published in January 1849, before the company had been given any powers by Parliament, suggested how the funds paid to railway companies could be used for the benefit of employees, this included ‘a sick fund, a superannuation fund, a widows’ and orphans’ fund, a burial fund, and a children’s education fund’. It is therefore unsurprising that by September the secretary of the Railway Clearing House, Kenneth Morison, described the income from the new assurance company as having an obvious use: ‘a general Railway Superannuation and Widows Fund as well as a general Friendly Society for the benefit of all classes of Railway servants and their relatives’. Morison had been an accountant at the London and Birmingham railway company when it had begun to sponsor a workers’ Railway Friendly Society in 1839, and had also been part of the Railway Clearing House’s 1844 provisional committee; he therefore had some experience and possible interest in retirement provisions for workers. The money that the Passenger Assurance Company was offering was

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38 B. Rotch, *The Railway Passengers Assurance Company: The objects of the Railway Passengers' Assurance Company considered with reference to existing railway interests, and to the mode in which the business connected with passenger traffic is at present carried on* (London, 1849), p.3.
39 Lord Campbell’s Act or the Fatal Accidents Act of 1846 deemed railway companies liable if they were deemed negligent following an accident, but the Railway Passenger Assurance Company argued this could be hard to prove and took time. Rotch, *The Railway Passengers Assurance Company*, pp.2-5.
40 TNA RAIL 1008/2 Railway Clearing House Minute Book, p.86.
42 TNA RAIL 1008/2, p.86.
available to all railway companies that would sell their policies; consequently, with multiple, and possibly all, railway companies involved, it made sense for any superannuation scheme funded in this way to apply across the industry and not just to the Railway Clearing House. Using the money in this way had several advantages: for example, it relieved the railway companies of the financial burden of funding a superannuation scheme independently and it also incentivised workers to ensure railway safety to guarantee a profitable return from the assurance company. Furthermore, it would have had a limited impact on the relationship between the companies and railway workers because a third party would have administered and paid the pensions. However, not all railway companies were very keen on becoming agents for the Railway Passenger Assurance Company and profits were slow in coming owing to the continual high number of accidents. By 1851, the profits from the Passenger Assurance Company were seen as only possible to apply to a death annuity paid out to widows and orphans.

Even without the income from the Passenger Assurance Company, the issue of providing support for workers and their families following an accident was still relevant to discussions surrounding a railway superannuation fund. Inquiries by actuaries included investigations into the possible operations of widows’ and benevolent funds which were packaged together with superannuation to create a scheme the committee felt was worthy of ‘encouragement and support’ from the railway directors. This extra provision was not only seen to provide greater security of the good conduct of servants but it gave servants and their families’ greater security in the event a servant was disabled or died in an accident. Additionally, even after a much amended proposal from the Railway Clearing House, the committee failed to gain support and the London and North Western Railway continued to pursue the idea with the issue of accidents at the forefront of their discussions.

By December 1852 the industry-wide scheme had been abandoned, but since April of that year the London and North Western had set up its own internal committee to investigate the matter. The London and North Western Railway internal committee were not only interested in

44 The Standard, Thursday, March 06, 1851; p.1. Report of the Railway Passengers Assurance Company shareholders meeting where it was stated that dividends could not be paid out due to the high number of accidents, and also notes a number of railway companies that refuse to work with them.
46 TNA RAIL 1008/66 Proposal for creating a superannuation and widows’ annuity fund &c For the Benefit of the Officers of the Railway Companies in Great Britain.
47 Ibid.
48 TNA RAIL 1008/3 Railway Clearing House Minute Book, p.26; TNA RAIL 410/22 London and North Western Board Minute Book No. 3, minute 1788.
superannuation but wanted to include a casualty fund and provision for widows.\textsuperscript{49} The significance of the Company's interest in this area was made more apparent in January 1853 when Captain Huish, London and North Western Railway’s General Manager, gave details to the Board of the coroner’s report following an accident at Harrow.\textsuperscript{50} The coroner made recommendations for carriages to be padded but also suggested compensation for the families of servants killed in the accident. The matter was referred directly to the superannuation committee.\textsuperscript{51}

London and North Western Railway are generally credited as establishing the first railway superannuation fund in 1853. They adopted the scheme that had been proposed by the Railway Clearing House committee in the previous year and, consequently, excluded any wider provisions for widows or a benevolent fund. In August 1854, London and North Western Railway was still investigating compensation for servants’ families, but by this time the issue had been separated from the superannuation scheme. As the 1852 Railway Clearing House proposal recommended that it was better to avoid any ‘difficulty or complication’ in establishing a new fund, with widows and compensation classed as such. Additionally, the London and North Western superannuation fund required employee contributions and, in the event of death in service, the Company was able to return their own and the Company’s contributions to the families.\textsuperscript{52} This was a provision that was envied by civil servants but also viewed as ‘compensation on the cheap’ by those working in the industry.\textsuperscript{53} Provisions following accidents may have been a catalyst for discussions surrounding railway superannuation funds, but they were not enough to produce large welfare schemes that supported more than the railway servant. This may have been because the employees most likely to be involved in an accident were the waged employees, not the salaried clerks. Railway companies may have felt a moral obligation to their employees, but there was little interest or motivation to create superannuation funds for the lower-classes of employee, and even when more schemes were established, very few included waged employees—this is shown in Table

\textsuperscript{49} TNA RAIL 410/22, minute 1788.
\textsuperscript{50} TNA RAIL 410/22, minute 1967.
\textsuperscript{51} Ibid.
\textsuperscript{52} TNA RAIL 410/2052 Comparison of Superannuation Funds between GWR, LNW and LSW. Different funds had different policies regarding death in service. Great Western: representative to receive amount of Membership Contributions not exceeding 1/2 years’ salary. London and North Western: If death within ten years membership representative to receive double the amount of members subscriptions. If after ten years, half a years’ salary. At London and South Western: if he dies under sixty years of age, his own contributions are returned to his representatives.
\textsuperscript{53} See Chapters 3 and 6 for debates about Civil Service superannuation and provisions for families. Bagwell, \textit{The Railway Clearing House}, p.166.
8. Instead companies preferred schemes that were viewed as simple and straightforward to manage. For this reason, the Civil Service superannuation scheme was central to these initial discussions.

Employee Reaction to Railway Superannuation in the 1850s

The ‘top-down’ implementation of superannuation schemes in the 1850s could be assumed to result in many employees having similar feelings to Ernest Struggles, the fictional character who opened this chapter. Through Struggles we see an employee unhappy with the compulsory nature of the Company superannuation scheme, and a perception that it was another way to exploit workers. This is mirrored in a report from the Standard newspaper when it became aware of a proposal for a General Superannuation and Widows’ Fund in 1851. The newspaper conceded that the scheme may have been devised with the ‘best possible intentions’, but the terms and conditions set out were ‘almost universally unacceptable’.54 Following previous attempts by companies to reduce the benefits and the cost of working expenses the newspaper was highly suspicious of the ‘machinery of railway patronage’, suggesting it was simply a way to cut wages and give the executive more power.55

However, examination of the minutes of the first railway superannuation committee reveals that, although some of the London and North Western Railway employees were confused about the regulations, there was very little obvious opposition. At the second meeting of the London and North Western Railway Superannuation Committee on 14 May 1853, a letter from Mr Sirett was read. Sirett objected to the compulsory contributions and had written to the committee to state that ‘under certain circumstance he would be unable to continue his contributions’.56 The Committee was unsympathetic and Sirett was duly informed that he was not allowed to withdraw from the scheme. Perhaps news of the swift and blunt rejection of Sirett’s opposition spread quickly, but the Committee did not receive any further attempts from employees to remove themselves or stop their payments.

Instead, it was the new emphasis on paperwork and the creation of new rules and regulations that appeared to cause the most confusion or opposition. Birth certificates were increasingly required to confirm the correct age of new employees and medical examinations were introduced in June 1853 in order to ensure workers were healthy both for work and for

54 Standard, 19 April 1851.
55 Ibid.
56 TNA RAIL 1174/84 LNW Superannuation Fund Committee Minute Book, Meeting 14 May 1853, minute 14.
admission to the Fund. The amount of paperwork now required by new starters became a matter that Hueley Slatery felt compelled to appeal against at the end of 1854, arguing that, although he was new on the staff list, he was not a new employee and had been working for the company for over nine years. His appeal was approved and Slatery was excused from the ‘filling up of forms’. However, this new emphasis on keeping a record on employees also exposed any previous discrepancies and, in November 1854, Peter Rymer Wall was refused admission to the Fund on account of the lack of information regarding when he had formally joined the Company

The new need for paperwork and record keeping was not the only part of the scheme that caused confusion. Several misunderstandings and administrative hiccups in establishing the superannuation fund in the first year led to some people being added to the Fund by mistake. In the same meeting in which the Sirett case was discussed, the committee read a letter from Mr Oboval regarding the case of Mr J. Webster. Webster had been wrongly added to the Fund despite being on a wage, not a salary, and already a member of the Company benefit fund. He was, consequently, permitted to withdraw. Part of the reason for the confusion originated from the option for some officers ‘not now’ on the salary list to join the superannuation fund. This was to allow officers of the Company who were excluded from the superannuation fund, by dint of being paid through the weekly or fortnightly pay sheet and not the salary list, to transfer from the benefit fund to the superannuation—although it still excluded those employed in manual occupations.

Nevertheless, the London and North Western’s superannuation fund was established with what appeared to be, very little protest from the staff members. From August 1853 the committee started to receive applications from officers who were not immediately added to the fund’s lists. The first to apply were four clerical employees from Liverpool, Wolverhampton and London. It is not clear why they were required to apply separately and were not just added to the fund, perhaps they were coming towards the end of their probation or perhaps they were paid through the pay sheet and not the salary list; nonetheless, their applications were

57 Ibid., 11 June 1853.
58 Ibid., Meeting 8 December 1854, minute 81, p.26.
59 Ibid., Meeting 8 December 1854, minute 81, p.26.
60 Ibid., Meeting 11 November 1854.
61 Ibid., Meeting 14 May 1853, minute 12.
62 Ibid., Meeting 14 May 1853, minute 15.
63 Ibid., Meeting 14 May 1853, minute 15.
64 Ibid., Meeting 12 August 1854, minute 27, p.6.
successful and they were permitted to join. The applications continued to come in and the principal reason for rejecting an officer was his age, as those over forty were deemed too old for the scheme. Objections to the scheme may not have been sent directly to the Fund, but what the minute book for the Fund does show was that there was interest and desire to join amongst a range of employees.

Establishment of Universal Superannuation scheme in 1870s

Despite the apparent success and good reception of the London and North Western Railway superannuation fund, it would be another ten years before another railway company, the London and South Western Railway company, established something similar. Moreover, it was not until the 1870s that even greater numbers of companies began to follow suit.

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65 Ibid., Meeting 12 August 1854, minute 27, p.6.
66 For example, Mr Chowder, parcels clerk in Birmingham was rejected in October 1853 for being ‘upwards of 40 years of age’, TNA RAIL 1174/84, Meeting 15 October 1853, minute 28, p.7 and Mr Willgahle and George Bateman of the Goods Department in Liverpool were also rejected due to age in December 1853, TNA RAIL 1174/84, Meeting 10 December 1853, minute 37, p.9.
### Table 8. Railway Superannuation Schemes

<table>
<thead>
<tr>
<th>Railway Company</th>
<th>Year established</th>
<th>Included waged staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>London and North Western Railway Superannuation Fund Association</td>
<td>1853</td>
<td></td>
</tr>
<tr>
<td>London and South Western Railway Superannuation Fund</td>
<td>1864</td>
<td></td>
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<tr>
<td>Great Western Railway Superannuation Fund (later Superannuation Scheme)</td>
<td>1865</td>
<td></td>
</tr>
<tr>
<td>Midland Railway Superannuation Fund Association</td>
<td>1870</td>
<td></td>
</tr>
<tr>
<td>London Brighton and South Coast Railway Superannuation Fund (later Pension Fund)</td>
<td>1872</td>
<td>Waged staff also members</td>
</tr>
<tr>
<td>Caledonian Railway Superannuation Fund Association</td>
<td>1872</td>
<td></td>
</tr>
<tr>
<td>Lancashire and Yorkshire Railway Superannuation Fund</td>
<td>1873</td>
<td>Waged staff also members</td>
</tr>
<tr>
<td>Railway Clearing System Superannuation Fund Association (later Superannuation Fund Corporation)</td>
<td>1873</td>
<td></td>
</tr>
<tr>
<td>Great Northern Railway Superannuation Fund</td>
<td>1875</td>
<td>Waged staff also members</td>
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<td>Great Eastern Railway Superannuation Fund</td>
<td>1875</td>
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<tr>
<td>North Eastern Railway Superannuation Fund</td>
<td>1882</td>
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<tr>
<td>North British Railway Superannuation Fund Association</td>
<td>1883</td>
<td></td>
</tr>
<tr>
<td>Glasgow and South Western Railway Superannuation Fund Association</td>
<td>1898</td>
<td></td>
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<tr>
<td>Great Central Railway Pension Fund</td>
<td>1905</td>
<td></td>
</tr>
<tr>
<td>South Eastern and Chatham Railways Pension Fund</td>
<td>1906</td>
<td></td>
</tr>
</tbody>
</table>

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67 PP 1910 [5349] Departmental Committee on Railway Superannuation Funds. Report of the committee appointed by the Board of Trade to inquire into the constitution, rules, administration, and financial position of the superannuation and similar funds of railway companies, p.2.
As Table 8, above, demonstrates, seven out of fifteen companies established their superannuation schemes in the 1870s. Giles has shown that the 1870s was a period when railway companies took a particular interest in the condition of employment and welfare of some employees. The London and South Western Railway established a special committee to examine the appointments, salaries and general working within the Company’s Traffic and General Office Departments.68 Railways were not the only industry that began to look at the employment conditions of their workers at this time. In 1870 the Bank of England decided to formalise their superannuation scheme. This was established at the same time that recruitment procedures were overhauled and fitted with an overarching aim to compete with the Civil Service for the best employees.69

Welfare benefits, including a pension, were not simply designed by institutions to encourage the loyalty of staff, they were also demanded by employees. On 18 April 1872, the secretary of the Railway Clearing House’s Superintending Committee reported that, on the third day of that month, there had been a large meeting of clerks in the dining room of the Company's offices to consider the necessity of a superannuation fund.70 The meeting passed a resolution that the clerks desired a superannuation fund for those ‘in the service of the Railway Clearing House’, but it acknowledged that a fund would not be successful without ‘pecuniary aid’ from the Committee of the Company.71 The Superintending Committee was, on the whole, in favour, and started to investigate how the fund would work.

Despite the extensive investigations twenty years earlier, the Railway Clearing House treated this as a completely new area of research and there was no reference to previous proposals. In May a letter was circulated to members of the Clearing System, and the clerks began to work on a draft scheme.72 By June the Superintending Committee had begun to receive responses from the other companies and had decided to submit the proposal to the Railway Clearing House Company's committee to start a more formal investigation.73 The committee approved the proposal and Dr Farr, an actuary, was contacted to start making calculations; by September the first draft of a parliamentary bill on the matter was being reviewed by the Company’s committee.74 In December 1872 comments from the Clearing System’s members had been

69 BEA M6/61 Special Committee on the Examination of the Clerks and Pensions.
70 TNA RAIL 1080/27, RCH Superintending Committee Minutes, 18 April 1872, p.275.
71 Ibid. Meeting, 18 April 1872, p.275.
72 Ibid., Meeting, 30 May 1872, p.281.
73 TNA RAIL 1080/7 RCH Minute Book, 12 June 1872, minute 1228.
74 TNA RAIL 1080/27, Meeting, 27 June 1872, p.293; RAIL 1080/7 11 September 1872, minute 1242.
received on the proposed scheme and the bill had been approved by the Clearing House committee.\textsuperscript{75} In less than a year a small agitation from the Company’s clerks had led to the investigation and formal proposal for a new superannuation fund.

The fund that was established by the Railway Clearing House and approved by parliament, maintained some similarities to the original proposals twenty years earlier, but was also distinctly different. The fund was based upon an employee contribution of 2.5\% of their salaries which was matched by their employer, and after ten years’ service, if over sixty years of age or incapacitated they could leave with a full pension.\textsuperscript{76} The scales of pension were based on a percentage of the employee’s salary but was no longer a copy of the Civil Service provision. Instead a pension started at 25\% of their salary after ten years’ service, increasing by one or two percent every year until a maximum of 67\% following forty-seven or more years of service.\textsuperscript{77}

By establishing this fund, the Railway Clearing House provided the workers of their member companies with greater leverage to lobby for superannuation provision. In 1876, a number of sub-committees of the North Eastern Railway began to circulate and sign a memorial calling for the Company’s directors to join the Railway Clearing House Superannuation Fund.\textsuperscript{78} The printed memorial stated that a number of companies including the London and North Western, London and South Western, Great Western, Great Northern, Midland and Caledonian, amongst others, now offered a superannuation fund to employees, and begged the directors to consider the Railway Clearing House Superannuation Fund as a basis for their own.\textsuperscript{79} The Clearing House scheme was not without its problems, and many of the sub-committees across the North-East expressed concern with some of the clauses, but it gave the workers some leverage as the directors of the North Eastern Railway had effectively already approved of the Clearing House scheme, though just for the Railway Clearing House staff.\textsuperscript{80} A total of 1,864 employees of the

\textsuperscript{75} TNA RAIL 1080/7 11 December 1872, minute 1252.
\textsuperscript{76} TNA RAIL 1080/66, ‘Railway Clearing System Superannuation Fund Association’ (London, 1873).
\textsuperscript{77} Ibid., ‘Superannuation Fund Association’.
\textsuperscript{78} TNA RAIL 527/1730 Numerous letters and committee minutes discussing the memorial from August 1876.
\textsuperscript{79} Ibid., Numerous signed printed petitions.
\textsuperscript{80} The Tyne Dock district objected to almost the entirety of the Railway Clearing House scheme, whereas the Hartlepool sub-committee approved the memorial and suggested a number of changes to clauses within the RCH superannuation scheme, TNA RAIL 527/1730 ‘Proposed Superannuation Fund’ Letter from Tyne Dock Department, 1 August 1876; and ‘Proposed Superannuation Fund’ minutes of Hartlepool sub-committee, 7 August 1876.
North Eastern Railway petitioned their directors, with the majority of signatures originating from Newcastle.\footnote{TNA RAIL 527/1730 Hartlepool 328 signatures, Newcastle 823 signatures, Darlington 3 signatures, Hull 208 signatures, Leeds 66 Signatures, York 316 signatures, Gateshead 109 signatures, elsewhere 11.}

By the early twentieth century, the Railway Clearing House superannuation fund was well established. In 1909, it had 11,256 contributing members and forty contributing railway companies from across the UK, all matching the contributions of their employees.\footnote{TNA RAIL 1008/66 RCH Superannuation Fund.} Its growth had been steady since its establishment in 1874, yet, as Figure 7, below, shows, the fund faced its biggest setback in 1906 when the Grand Central Railway Company withdrew from the fund at great expense. Nevertheless, within a couple of years it had successfully recovered the balance of the fund.

Figure 7. Railway Clearing House Superannuation Fund Balance in £s\footnote{Ibid., Balance sheet for 1874-1909.}

One of the main reasons the Fund was able to recover so quickly was the profit the Company could collect from the interest on contributions. A balance sheet prepared by the Railway Clearing House for the 1910 Board of Trade inquiry into superannuation funds, details three types of interest on their Fund. The interest came from investments, a 4% interest paid by the Company on the Fund and any profits from sales and transfers of stock. As Figure 9, below, demonstrates, the contributions from employees and companies were able to produce an income from the interest that after fifteen years or so matched the growing contributions. After twenty years, it was beginning to exceed the contributions.
By 1909 the fund was paying out to 404 annuitants, which equates to just over 3.5% of the contributing employee members. This is quite a low figure compared with the Post Office department where the number of pensions in 1886 was equal to 6-7% of the workforce. Nevertheless, after 1886, unsurprisingly, the majority of the Railway Clearing House’s Fund expenditure was paid to superannuated members. Figure 9, below, demonstrates how the expenditure of the fund was split over time.

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84 Ibid., Balance sheet for 1874-1909.
85 Ibid.
The management of the Fund was, unsurprisingly, the main area of expenditure at first, but payments to members or bereaved families then took over, until regular annuitants began to pick up. The first annuitant on the Fund was in 1879, five years after the Fund had been established. To receive an annuity or pension at this stage a member would have had to pay in the equivalent of five years back pay when they joined, as it was a requirement to have paid in for ten years. Evidently, a small number of employees had been able to save and either transfer money from a private fund or from a savings account. They had been thinking about, and planning for, their retirement and had decided the Railway Clearing House Superannuation Fund was a good option for them. The first four annuitants in 1874 were paid a total of £80, so

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87 TNA RAIL 1008/66 RCH Superannuation Fund Balance Sheet for 1874-1909.
88 Ibid., Railway Clearing System Superannuation Fund, 3 September 1873, clause 2.
received approximately £20 each, which is just over 7 shillings a week.\textsuperscript{89} Considering an engine driver could have earned between 5s 6d and 7s 6d a day and a porter could earn on average 18s 7d a week in 1840, this was not a substantial sum in 1874.\textsuperscript{90} By 1909 the averages had grown, with the 404 annuitants receiving, on average £76 a year, which is just over 17 shillings a week.\textsuperscript{91} Compared to the wages of sixty years earlier, this was not a large income, yet it was over three times the size of the maximum new old age pensions, which were 5 shillings a week.\textsuperscript{92} The Railway Clearing House may have set up a sustainable fund, but it is unclear if its members would have been able to, or did, live on the payments.

Through the Railway Clearing House Superannuation Association Fund, a superannuation system had been established that could be applied to more than one company at a time. However, by this stage a number of different schemes had already been established by some of the larger companies including the London and South Western, Great Western and Midland Railway. This resulted in a huge variety of schemes that operated under different rules and regulations offering different benefits. Nevertheless, despite this confusing range of products, superannuation was a benefit more likely than not to be expected by railway clerks and salaried officers. By 1870, the Civil Service superannuation scheme had been available to all staff for over ten years, and the Bank of England were formalising their superannuation scheme for employees. Clerks and salaried officers working at the railways were now able to compare their position to other similar roles and though a wide range of complaints about how the systems were run and managed were expressed and debated, almost all agreed that they should still be offered.

**Employee Perceptions of Superannuation 1880s-1910**

Towards the end of the nineteenth century, expectations of what a superannuation should be and how it was managed had changed for many railway employees and there was growing dissatisfaction with the systems currently on offer. Through activities by the Railway Clerks’ Association and other publications by railway workers it is evident that this was a better informed and organised workforce compared to the passive responses seen in the London and North Western Superannuation Fund minutes. Agitation from railway workers prompted a parliamentary enquiry into railway superannuation in 1910, and the union officials that gave

\textsuperscript{89} Ibid. RCH Superannuation Fund Balance Sheet for 1874-1909.
\textsuperscript{90} Bagwell, *The Railwaymen*, p.20.
\textsuperscript{91} TNA RAIL 1008/66 RCH Superannuation Fund Balance Sheet for 1874-1909.
evidence to the inquiry could be the loudest critics of the schemes. However, this did not mean workers did not want superannuation funds—far from it. Instead, when their opinions were heard workers often set out very clear and detailed ideas of what a railway superannuation should look like.

Writing in 1887, D. MacGregor, an official of the North British Railway set out his vision of the perfect railway superannuation that would be ‘legitimately benefiting [to] the Company’ and attract the best men and allow them to retire ‘from trying and hazardous duties’ when no longer able to conduct them.93 This fund should

‘… be provided by those who benefit by the service of the employee, unless in cases of provision for men who have to retire on account of bad health. All classes of permanent servants should be included. … The allowance should be granted to those whose character and length of service marked them as deserving. … The allowance should be in some fair proportion to a man’s salary and length of service at the date of retiring.’94

For MacGregor, the superannuation system was an important one: if conducted correctly it was beneficial to both employer and employee and, consequently, the cost should be met by both. Many of these principles had been established by the Civil Service superannuation schemes from the start of the century, including the condition of character and length of service, as well as the amount of pension that was granted being based on a calculation of the employee’s salary and length of service. The key difference, however, was how the costs were met. As MacGregor outlined above, he believed an employee should contribute towards their retirement in case it was caused by ill-health, whereas the employer was responsible for repaying a long and faithful service as they had benefited from it. Pensions were an entitlement, but one earned through individual prudence alongside loyal service.

Superannuation schemes were important for railway clerks and salaried officers. Giving evidence to a parliamentary inquiry in 1910, Alexander Walken, union official for the Railway Clerks Association, insisted that the provision was not only approved of but desired by the railwaymen, they wanted ‘to have their old age provided for, and they [were] willing to

93 Macgregor, Railway Superannuation Funds, p.15.
94 Ibid., pp.15-16.
subscribe for that purpose’.95 This is supported by the work of Peter Scott and Trevor Walker who have examined Edwardian railway clerks’ family expenditure. Scott and Walker argue that the membership of a superannuation schemes was important in shaping class identity and maintaining a standard of living in old age for railway clerks, with subscriptions taking up 7% to 8% of household expenditure.96 Having pension provisions was important to align themselves with clerks in other industries, such as the Civil Service and Bank of England, but they expected to pay for it. The emphasis was on employers enabling employees to make a valuable and viable provision for their retirement. They did not expect to have to fund and manage a benefit or friendly society, welfare more closely associated with working-class communities, but also did not expect their employer to be the sole provider of it.

Part of the reason for this relationship may have been the distrust employees felt towards railway companies. Early superannuation attempts were regarded by some employees as ‘compensation on the cheap’, combined with greater attempts to manage and discipline staff.97 There was also a deep suspicion that companies were trying to make money out of employee contributions to superannuation funds. This was something of which company directors were well aware, as Lord Claud Hamilton, chairman of the Great Eastern Railway, outlines in 1903:

‘there is a suspicion by various means often engendered in the minds of working men that companies want to make something out of those funds themselves, and do not establish them really for the benefit of the men, and it was in order to avoid the slightest breath of suspicion that we thought it better to invest its funds in such a manner that they could not by any possibility be touched by the company, except with the consent of the members of the fund, and I must say that in that way any breath of suspicion has been entirely avoided, and both the salaried officers and the wage-paid class have absolute confidence in our bona-fides in establishing and working these funds.’98

Two years later, when it was found that the Great Eastern Railway Company Fund had a deficit, Lord Hamilton attempted to meet the concerns of employees by not just having a separate fund but by guaranteeing the fund. Speaking to a meeting of the Fund’s members, he dismissed

95 PP 1911 [5484] Departmental Committee on Railway Superannuation Funds. Minutes of evidence taken before the committee appointed by the Board of Trade to inquire into the constitution, rules, administration, and financial position of the superannuation and similar funds of railway companies. With appendices and index. p.22. Evidence of Alexander George Walkden.
97 Bagwell, The Railway Clearing House, p.166.
actuarial calculations, referencing how in recent years they had seen actuarial error in other areas. He did not see how a fund could satisfy actuaries with its solvency whilst paying out adequate pensions and ensuring the ‘peace and security’ contributing members required.

The pamphlet written by D. MacGregor in 1887 had also voiced scepticism over the value of actuaries in calculating the solvency of superannuation funds. However, guaranteeing funds was not enough for some employees and their union representatives. Walken argued that companies frequently used Acts of Parliament to alter the conditions of their superannuation funds, and some favourable terms might not be sustained or guaranteed in future years. For example, the Caledonian’s superannuation had been directed by an 1854 Act to have an actuarial report every five years, however a later Act had ensured that policy was removed. Furthermore, following a campaign by the Railway Clerks Association to have railway superannuation funds examined, the 1904 controversy surrounding the Lancashire and Yorkshire Railway Company’s attempt to alter their superannuation fund to remove employee contributions and retain the interest earned on the fund had helped lead to a parliamentary inquiry.

In contrast, the practice that union officials and railway clerks advocated was more heavily focused on actuarial practice, and argued that pensions should be calculated from the amount of money paid into a fund by an individual, a ‘money-value’ system as it was called. By 1909, only one railway company had attempted to implement the ‘money value’ system—the London and South Western Railway—but they had found the pensions calculated to be ‘too small to provide a comfortable maintenance’ and had supplemented the fund to increase payments. The possible low value of pensions was acknowledged by several witnesses, but the principle of getting what you paid in was the dominant feature. The Civil Service superannuation was credited for establishing the system where pensions were based on salary and length of service, but this did not appear to meet the demands of a suspicious and self-reliant workforce in the railway sector. Nevertheless, the Civil Service system endured as it

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99 PP 1911 [5484], p.17, Speech from January 1905 read as part of Evidence of Alexander George Walkden. Lord Hamilton was unsuccessful in getting all railway companies to agree to guaranteeing the Railway Clearing House Fund.
100 Ibid., p.17.
101 Macgregor, Railway Superannuation Funds, p.12.
managed to produce pensions that satisfied the companies in terms of providing figures perceived as fair for employee contributions and fair for calculating benefit payments.

**Conclusion**

Superannuation funds were important for railway companies and employees since they helped to portray an image of respectability and enabled them to align themselves with older establishments such as the Civil Service and Bank of England. For the railway companies, they gave the additional benefit of addressing their perceived public duty of keeping a workforce efficient by being able to remove infirm and elderly workers. This could contribute to keeping the public safe on the railways and also meet perceived obligations of rewarding long and loyal service. Furthermore, it gave a small mechanism for providing compensation to families following the death of an employee whether in an accident or not but, perhaps most importantly, after 1870 it met the desires of the growing clerking classes in an increasingly competitive labour market.

Nevertheless, railway clerks were different from the clerks that worked in the corridors of government, in the Post Office or in the City. They were far more likely to expect to pay towards their pension provision which was, in part, due to their relationship with their employer. As a new and commercial industry, in comparison with the Civil Service, the Bank of England or the East India Company, there was a greater expectation that financial sustainability should be maintained through the advice of actuaries. There was also a suspicion that the employee benefits could be easily changed or manipulated to benefit a company’s finances. Superannuation may have been initially designed as a way to reward loyalty, but railway employees did not feel their employers were loyal to them.
Chapter 6:
Deferred Pay, Reward and Charity: Family and the Ownership of Civil Service Superannuation

‘Mr T. D. Venables, the general secretary of the Postal Telegraph Clerks’ Association, who was the convener of the present meeting, in opening the proceedings, said that they had met for the purpose of inviting the support of the Civil Service generally with the object of having a definite pronouncement from the authorities on this much-debated question of deferred pay. He referred at length to the injustices done to the widows and children of civil servants, inasmuch as the Government did not recognise that they were entitled to any compensatory allowances at its hands, though the deceased has throughout his service contributed, perhaps, indirectly towards the pension to which he would have become entitled.’


On Saturday 28 November 1896, in rooms of the Manchester Hotel in East London a large number of civil servants held a meeting. The meeting had been arranged by the Telegraph Clerks’ Association and was attended by representatives from twenty-five associations across the Civil Service, including the War Office, Admiralty, Inland Revenue, Customs, Home Department and all branches of the Post Office. The purpose of the meeting was to address the growing dissatisfaction with the 1859 Superannuation Act. Civil servants argued that their pensions should be defined as deferred pay and that, as a result, their pension money was not only owed to them by the government after a long service, but in fact owned by civil servants. The civil servants argued that they indirectly paid towards their pensions throughout their working life by receiving smaller salaries than they would receive elsewhere. As a result, they felt their families should be able to claim this pension money in the event of their death. Other organisations, such as railway companies, made provisions for employees’ families and so, Venables concluded, ‘the Government of the richest country in the world should show a good example and not lag behind the enterprise of private employers and public companies’.  

1 Ibid.
2 Huddersfield Daily Chronicle, 30 November 1896, p.3.
3 Ibid., p.3.
This meeting was the start of what became known as the deferred pay movement within the Civil Service. The needs of families following a civil servant’s death had been a feature of the civil servants’ pension campaigns in the 1840s and 1850s and, once again, the desire to provide support for dependents motivated agitation. However, the question of whether civil servants owned their pensions (as deferred pay) or were given them as an occupational benefit was at the heart of the campaign.

The focus on definition and emphasis on ideas of deferred pay had been enabled by two major examinations of the management of the Civil Service in the 1870s and 1880s. The first was a Select Committee tasked with exploring ways to limit the expenditure of the Civil Service, published in 1873, and the second was a Royal Commission charged with not only finding savings but ensuring the administration and organisation of the Civil Service was as efficient as possible. Within these inquiries superannuation was defended because of its ability to help the Service remain efficient but also as a cost-effective measure, a reason for paying civil servants less than the market-rate. These ideas were put forward by leading members of the Treasury and became the foundation for the civil servants’ campaign, closely linking lower pay with a subsequent pension.

However, the justification for providing a pension did not mean that the superannuation had a simple definition. In fact, the inquiries of the 1870s and 1880s revealed a range of views related to how this form of remuneration should be administered and calculated. Some of these views provided civil servants with the evidence that superannuation could be defined as deferred pay, but it also uncovered differing interpretations within the Treasury and government and there was no clear narrative of how a pension shaped, or should shape, the relationship between employee and employer. Was superannuation a reward for loyal service as old age pension campaigners, such as Henry Broadhurst, argued, calling for non-contributory financial support in old age for all citizens in return for long service.4 Those that objected to old age pensions, including Octavia Hill, disputed this definition as they saw superannuation as deferred pay.5 Civil Service superannuation presented a confused and ambiguous picture. As an economic sociologist describes, people unconsciously ascribe meaning to payment and so it is unsurprising that, in the absence of a clear position from the Treasury, civil servants were able to promote their view that it was an entitlement and campaign accordingly.6

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5 PP 1895 [7684] Royal Commission on Aged Poor, p.558.
Finally, in 1902, the lobbying of the deferred pay movement resulted in a Royal Commission to, once again, examine the issue of Civil Service superannuation. Despite the concerns over the growing cost of the pensions seen in the 1870s and 1880s, this Commission was not charged with finding ways to save money. Instead, the Commission, led by Liberal MP Leonard Henry Courtney, was given the task of trying to find a way to appease the civil servants at no extra cost. The Commission was consequently restricted to trying to find ways of giving civil servants greater benefits from the superannuation system, but without burdening the taxpayer with a larger superannuation bill. The Commission, which became known as the Courtney Commission, reported its findings in 1903 and recommended that something should be given to the widows and orphans of civil servants but with a reduced pension for the servants themselves.7

The Courtney Commission set out to define Civil Service superannuation not as deferred pay, but as ‘remuneration for continuity of service contingently payable on the continuity being maintained during a defined period and not accruing from year to year as an indefeasible interest’.8 In other words, pensions were part of the contract between employer and employee; they were a recognition for long service and not the result of accrued money during their working life. The civil servants had, to an extent, achieved what they set out to do—to gain recognition for their families. However, they had done this at a cost to their pensions and without recognition that their pensions were defined as deferred pay, hence it was their property to claim.

The recognition of the needs of families in the 1903 Royal Commission was significant, but this report was important for another reason. Over forty years since the 1859 Superannuation Act, the relationship between the state and civil servants was again being assessed through the lens of a pension, there was a clear move to ensure control and power over this financial remuneration remained with the Treasury.

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7 PP 1903 [1744] Civil service superannuation. Report of the Royal Commission on Superannuation in the Civil Service, p.xii. In return for a reduction in a pension calculated on 1/80th of their final salary, instead of 1/60th, a civil servant’s family would have claim to a number of benefits. A year’s pay would be given to family members upon a servant’s death; if a servant had retired before their death the family would still receive this payment of a year’s salary if they had retired after forty years of service; however, if they had retired before forty years of service, the family would only receive something if the retired servant had not been paid the equivalent of a year’s salary through their pension. The family would receive the difference between the amount paid out in pensions and a year’s salary.

8 Ibid., p.vi.
The 1859 Superannuation Act had purposefully acted to move away from connotations of Old Corruption by removing the characteristics of sinecures and the Civil List that handed pensions down through generations. Through this Act superannuation and pensions were cast as being solely focused on the relationship between employer and employee by rewarding loyalty, hard work and good character. The 1903 Courtney Commission serves as evidence that the meaning of superannuation was shifting. Taking place under the Conservative and Unionist coalition the Commission was extremely mindful of not increasing the taxpayers’ burden, but it felt more needed to be done to meet the grievances of workers. Ownership over superannuation, how it was defined and who could receive money as part of its terms, all became matters subject to a tug of war between government and its workers—a final compromise was needed. The government was willing to acknowledge and pay compensation to civil servants’ families, widening its remit of responsibility, but rejected a definition of deferred pay, enabling the Treasury to maintain a level of discretion in administering superannuation. It acknowledged that retirement payments were not confined to an actuarial balance of money paid in and accumulated, underlining the belief that government money and finances were fundamentally different from those of companies and other institutions that employed large numbers of people and paid superannuation. How government managed its finances was different, which meant its employees and their superannuation were distinctly different from other workers.

**Drawing the Lines in the Deferred Pay Movement**

In a memorial to the Treasury in January 1899, the civil servants made clear they considered their pensions to be deferred pay.\(^9\) As evidence for their definition they listed the occasions that Civil Service superannuation had been described, or referred to, as deferred pay in the 1873 Select Committee on Civil Service Expenditure and the 1886 Royal Commission on Civil Establishments. Those listed included senior civil servants serving in the Inland Revenue department, the Admiralty and even the Treasury, as well as MPs: they all seemed to agree that civil servants were paid less due to receiving a pension. In 1873, the Chancellor of the Exchequer was recorded as saying,

‘I think that if you had no superannuation you would pay a great deal more than one-fifth more in order to keep your men, and even then you would not keep them.’\(^{10}\)

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\(^9\) PP 1899 [48] Return of Memorial with respect to Superannuation to Treasury by Civil Servants of Crown, January 1899. The civil servants were asking for an inquiry into the operation of government superannuation.

\(^{10}\) Ibid., p.3.
Lord Playfair, who had chaired the Playfair Commission between 1874 and 1875 and who had issued recommendations to ensure recruitment to the Civil Service was based on merit, was also explicit in his view of pensions:

‘I have always thought that pensions were nothing but postponed wages, and that was one of the temptations to get men upon moderate salaries.’¹¹

One of the most significant people quoted was Sir Francis Mowatt. In the memorial, Mowatt was listed as Permanent Secretary to the Treasury, which was his position at the time of the memorial; but at the time of the 1886 Royal Commission, from which his quotations were taken, Mowatt had been Principal Clerk to the Secretary to the Treasury.¹² From his position as a clerk in the Treasury, the department that administered Civil Service pensions and government finances more generally, Mowatt gave a figure for the salaried equivalent to pensions. His discussion on this with the Commissioners Lord Lingen and Mr Harvey, reproduced in full in the memorial, shows that Mowatt believed superannuation was the equivalent to an increase in salary of between 16% and 20%. The Commission clarified Mowatt’s calculation for the record:

Mr Harvey: ‘Do you mean that if a Civil Servant entering under the ordinary conditions, has £100 a year salary, the real charge that the State has to undertake for him under the present system is £118 a year?’

Sir Francis Mowatt: ‘I should say at least.’¹³

For the memorialists the implication of this statement was clear, the state considered their salaries to be 16% to 20% higher than they were paid. For the civil servants this proved they were paid less and gave a figure of how much of their salary was being held back or redirected. It demonstrated how much they were entitled to receive, whether through a pension in retirement or a gratuity to their family after death. The significance of this figure is later underlined by evidence from another prominent figure from the Treasury. Lord Welby was not given an accreditation in the memorial, but by 1886 had become the Permanent Secretary of the Treasury, the most senior civil servant in the department. From his evidence, the memorialists conclude that ‘less than thirty per cent of the number of pensionable Civil Servants reach the pension stage’.¹⁴ Therefore, most civil servants were losing out on receiving

¹¹ Ibid., p.3.
¹³ PP 1899 [48] Return of Memorial with respect to Superannuation, p.4.
¹⁴ Ibid., p.5.
any of their deferred pay through a pension; it was a benefit that was only received by a minority.

The government’s interest in the shape and performance of the Civil Service through two committees and commissions in the second half of the nineteenth century had provided plenty of evidence for the deferred pay committee. Both were tasked with examining aspects of how the Civil Service was managed: the purpose was either to reduce expenditure or to review the service as a meritocracy; as a result, grievances concerning superannuation as well as some suggestions for reform were discussed in evidence and recommended in the formal reports. Despite this, the changes to the system that were brought forward focused on reducing the cost rather than the complaints of the civil servants. It is worth examining these two committees in detail to highlight the neglect of issues relating to definition and the provision for families which made the creation of a committee dedicated to superannuation inevitable.

**The 1873 Select Committee on Civil Service Expenditure**

The 1873 Select Committee on Civil Service Expenditure was tasked with finding opportunities to reduce expenditure and consequently examined ways to reduce the growing superannuation bill. Through this committee a continuity of many older ideas about reward and privilege were represented. Superannuation was justified as a public benefit, but there were suggestions that some civil servants were worthier of a superannuation than others by virtue of their class and social standing. Superannuation may have been part of the reforms to remove elements of ‘Old Corruption’, however, there was still confusion about how it could adhere to the narrative of fiscal efficiency as the Service continued to grow.

Superannuation of civil servants under the power of the Treasury was handled in the third and final report. In this report the Committee acknowledged the benefits of ‘retaining in the service trained officers, as protecting the public from combinations, and as a means of enforcing discipline’; however, they also felt restrictions were needed and that the expense may turn public opinion against the policy. The Committee subsequently recommended that Parliament should enforce retirement at a certain age, possibly sixty-five. However, it did not feel able to make any further recommendations and, instead, suggested any further measures,

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15 PP 1873 [352] Select Committee on Reductions in Expenditure for Civil Services not under Control of Treasury: Third Report, Proceedings, Minutes of Evidence, Appendix, Index, p.v.
such as restricting future numbers of employees eligible for a pension, should be addressed by another committee.\textsuperscript{16}

Despite the limited recommendations, the evidence the Select Committee collected portrayed a strong sense from some senior civil servants that equality was not necessary across the Service. With attitudes mirroring older arguments that supported the principles of the Civil List, it was argued that superannuation had the largest impact for ensuring efficiency and longevity for the higher grades of the Civil Service. When examined, Mr Robert G. W. Herbert, the Permanent Under-Secretary of the Colonial Office, divided the Civil Service into two: the higher-class clerk and the assistant grade clerks. To Herbert, the higher-class clerks deserved a more substantial pension as they could have chosen a career elsewhere and by becoming civil servants, they had potentially sacrificed making more money and a more prominent position in society. Consequently, his pension upon retirement should enable him to ‘live as he previously did’.\textsuperscript{17} This, however, was not the case for the assistant clerks who belonged to a ‘different walk of life’; he believed they should still receive a pension to make staying in the service ‘worth their while’ but he did not believe they deserved the same rate.\textsuperscript{18} Through further examination it was the thriftiness of the men in the assistant grade that led Herbert to this conclusion, suggesting that the function of the superannuation to compel men to make provision for the future was not necessary since they insured their lives immediately upon marriage, ‘having fought their way in the world, and having no assured income’.\textsuperscript{19} Mr Thomas Henry Farrer, the permanent secretary for the Board of Trade, had a preference for pensions for the higher grades of clerks arising from his lack of experience of the assistant class, and his preference for the use of temporary staff, who were not entitled to pensions, for the lower grades.\textsuperscript{20}

The Committee had been charged with looking for ways to reduce expenditure and were clearly looking for ways to possibly reduce the amount of pension available to the lower division of clerks. For this they had the support of at least two heads of government departments, but met with opposition when consulting the Treasury, both Mr Ralph Lingen, the Permanent Secretary and Mr Reginald Farle Welby, clerk for Financial Business, were against any alteration. Lingen agreed with statements that the superannuation ensured efficiency and that salary and

\textsuperscript{16} Ibid., p.v.
\textsuperscript{17} Ibid., p.164.
\textsuperscript{18} Ibid.
\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid., p.190.
superannuation were both part of a servants’ remuneration so should not be removed. He did not elaborate on why the scales should be kept the same and was not pushed on it. Welby was more passionate in his response: he was extremely reluctant to remove any rights to pensions as he felt ‘convinced that it will mean keeping men in the service after they have ceased to be efficient’. Yet, as an extension of this, Welby also felt ‘so strongly’ that there should be a compulsory age of retirement.

Though there was some discussion over the amount clerks should receive in their pensions, and how a system of deductions did and could work, there was general agreement that pensions were to the public benefit. This was based on the value of pensions in securing good men for the higher grades and making it possible to remove men who were no longer performing efficiently. With this in mind, there was almost unanimous agreement amongst witnesses that a compulsory retirement age should be implemented. Furthermore, despite the Committee’s interest in the idea of curtailing pensions for the lower-class assistant clerks, they appear to have sided with the influential rising clerk Reginald Welby, recognizing that economic efficiency could be secured to some degree simply by installing a compulsory retirement age.

1886 Royal Commission on ‘Civil Establishments’

The 1886 Royal Commission on ‘Civil Establishments’ had a much broader remit compared with the 1873 inquiry. It was tasked with looking into the ‘numbers, salaries, hours of labour, superannuation, cost of staff, and administration, regulation and organisation of offices’, to find savings as well as ensure the structure and management of staff was efficient and the best it could be. Established ten years after the Playfair Commission, a Royal Commission that had recommended restructuring the Civil Service and widening recruitment by merit, the 1886 Commission was also tasked with reviewing whether these changes had taken place and if they were functioning well. Working within these parameters, the Commission recommended changes in how superannuation for civil servants should be administered and calculated. They

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21 Ibid., Index, p.147.
22 Ibid., p.7.
23 Ibid.
24 Ibid., p.475.
26 Although the Playfair Commission looked at the management of staff, superannuation was not initially within its remit. Nevertheless, it had been ‘forced on their attention’ and subsequently examined a proposal to allow retirement after twenty years of service, with the aim of speeding up promotion; they did not recommend it. Playfair Commission quoted in PP 1888 [5545].Second report of the Royal Commission appointed to inquire into the civil establishments of the different offices of state at home and abroad, with minutes of evidence, appendix, &c, p.xix.
recommended introducing salary contributions, to appease the aggrieved civil servants by removing any ambiguity over the definition of pensions as deferred pay, as well as reducing the cost of superannuation. These changes were not pursued as they were viewed by government as too complex and several MPs were preoccupied with other aspects of superannuation related to the termination of offices that were viewed as costly and improper. This Commission did attempt to address the civil servants’ grievances, however there was no sense of urgency to push MPs into appeasing them and they consequently focused on ways to reduce the cost.

The Royal Commission on ‘Civil Establishments’ produced two reports in 1887 and 1888. The 1888 report looked at superannuation in some detail and not only made several recommendations to reduce the cost but again underlined the importance of maintaining this benefit. Though the commissioners established that they saw their remit as only dealing with clerical staff and consequently did not pass comment on the superannuation of non-clerical staff they felt they could discuss the superannuation scheme as a whole. As evidence for the justification for providing pensions, the three reasons set out in the 1857 Royal Commission were quoted. In support of these arguments, that a pension should be given to keep civil servants free from anxiety or worry about their future, that public opinion supported a pension for loyal civil servants and that a pension would improve efficiency by enabling heads of departments to remove inefficient staff members, the Commissioners stated that pensions were now a ‘growing practice’. Railway companies, banks and other large commercial businesses had established superannuation systems and in order to compete with these companies they felt it was desirable to maintain the Civil Service superannuation scheme. It was agreed that pensions should be maintained but there was a question of how the money should be viewed.

For the first time since the 1850s the style and management of the superannuation system was up for discussion and the Commission examined several proposals for a slightly altered scheme. The most detailed was submitted by Mr R. Hamilton who proposed that pensions should be removed completely and replaced by an annual sum, based on the current scale of pensions being invested into a Government fund. Hamilton thought this money should be considered as deferred pay and paid out in a lump sum with interest to a civil servant, or his

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27 See Chapter 1 for full discussion of 1857 Royal Commission.
28 PP 1888 [5545], p.xx.
29 Ibid., p.xx.
dependents, when he left the service. The rejection of Mr Hamilton’s scheme rested partly on the payment of a lump sum which, the Commissioners felt, did not protect the servant from ‘improvidence or misfortune’ and could still see them in need of public or private charity which the pensions were supposed to prevent. Their other objection to Hamilton’s scheme rested with the definition of deferred pay which was not something they could accept. Their problem was based on the perceived extra cost of paying out to families where there was no fixed proportion of what the deferred pay and actual working salary of a servant should be. The report itself did not go into any further detail of the Commissioner’s definition of the Civil Service pension, but the reasoning behind their thinking can been seen in their examination of two key witnesses.

The two witnesses to the Royal Commission who formed the definition of superannuation for civil servants were Sir Herbert E Maxwell MP and Mr Francis Mowatt. Sir Herbert Maxwell was one half of the Treasury’s committee on pensions and superannuation alongside Sir Reginald Welby. He had provided the Commissioners with a history of Civil Service superannuation and he believed that the way the pensions were calculated discredited any suggestion that they were deferred pay. The superannuation was based on the salary of an employee for the past three years or an average of that if it had changed in those three years, consequently, Maxwell argued, the pension was related to an employee’s final salary and not their salary during their working life. In his view the focus on final salary ‘knocks the bottom out of that [deferred pay] argument’. For Francis Mowatt, at this time Permanent Officer at the Treasury responsible for granting pensions, the definition was related to how the pensions were viewed and administered rather than calculated. He argued as follows:

‘I think the definition of deferred pay, though convenient, is not exact; because if it were adopted it would carry with it some consequences which are not recognised in our present system. If pensions were deferred pay it would be the absolute property of a civil servant. You must give it to him whenever and for whatever cause he retires, or if he should die in the service it would belong to his estate; again, if it were deferred

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30 Ibid., p.xxi.
31 Ibid.
32 Ibid., p.xx.
33 Ibid pp.xx-xxi.
34 Ibid., p.150.
pay, it must be calculated, not upon the salary upon which he retired, but on the salary
which he has received from year to year.\textsuperscript{35}

Mowatt’s view appears to be less clear cut compared with that of Maxwell. He suggested that
the pensions could not be deferred pay because that was not how they were administered within
the Treasury. The fact that other passages of his evidence were later to become a fundamental
part of the Civil Service Deferred Pay Committee’s argument suggests that Mowatt may have
had an ambiguous view of the Civil Service superannuation. However, even though Mowatt
had calculated that civil servants were paid 16\% to 20\% below the market rate because they
received a pension, he saw no benefit in changing the management of the pensions towards a
system based on deferred pay.\textsuperscript{36} In his view the pension system was there to benefit the public
by encouraging longevity but also giving government the power to remove servants at will, not
to benefit the civil servant.\textsuperscript{37} Maxwell on the other hand did see a benefit in changing the status
of the pension to deferred pay and it was this view that made its appearance in the 1899
memorial.

Maxwell’s view appears to have had a lasting impact upon the commissioners because,
although they did not define pensions as deferred pay, they made suggestions that would have
changed the definition. This was principally expressed through a recommendation to
reintroduce contributions from employees. They acknowledged that this was not a new idea
and supported the argument of the 1857 Royal Commission that pointed to the difficulties of
deciding on an effective contribution scale, as well as potential problems if the fund was
deficient, or also if it was in surplus.\textsuperscript{38} Furthermore, they recognised that, despite the apparent
success of superannuation funds offered by the London and North-Western Railway and
Railway Clearing House, any actuarial calculations used by railway companies would not apply
to public funds principally because voluntary retirements were so low.\textsuperscript{39} Nevertheless, with the
desire to allow civil servants to actively contribute to their pension and make provisions for
their families, the commissioners suggested a 5\% deduction. This sum would be recorded and
held by the National Debt Commissioners and could be paid to the employee or their family,
along with interest ‘at the rate allowed by the Post office Savings Bank, if they died or left the

\textsuperscript{35} Ibid., p.156.
\textsuperscript{36} Ibid., for discussion on salary below the market rate see p.162 and on the belief that pension should not be
seen as deferred pay, p.156.
\textsuperscript{37} Ibid., p.161.
\textsuperscript{38} Ibid p.xxi.
\textsuperscript{39} Ibid., p.xxi.
service voluntarily.\(^{40}\) In a concession to solve the potential problems the management of a fund might present, the commissioners suggested that civil servant salaries should be reduced by 5\%, with the saving used to contribute towards the cost of pensions.\(^{41}\) In either case employees would be directly contributing to their pensions through their salary.

This reintroduction of contributions clearly met several needs of the Commissioners. They not only removed the question of pensions as deferred pay, but also the suggestion that, even if pensions were deferred pay, the cost was still a ‘non-effective charge’ on government for the management of civil servants: they were paying them for not doing anything in retirement and consequently the public benefit could be questioned. With contributions, civil servants were paying towards their pension and the government could also address the issues of payments for families and the abolition of office, on top of potentially reducing the burden on public funds. In addition, it was proposed that superannuation payments should be calculated from an average salary of the past ten years, rather than the previous three.\(^{42}\) A small adjustment designed not only to reduce the cost but also to dismantle Maxwell’s argument that pensions were not deferred pay as they were based on final salary. The 1888 Royal Commission did not currently believe that civil servant superannuation was deferred pay, but they were clearly supported making it become a deferred payment to reduce the cost and meet civil servant demands.

The value of superannuation in removing servants who were proving inefficient had come up in the previous reports, but now the value of its use through the payment of pensions or gratuities to men whose office had been abolished was being challenged. The Commissioner felt this part of the Act had been greatly abused and entitled many men to ‘extra pensions for their inefficiency’, effectively rewarding bad behaviour. They consequently argued that the reorganisation of offices should be taken out of the remit of superannuation and arranged through an Act of Parliament, which could either remove the right to a pension or reduce it significantly. If a single officer had to be removed, it was suggested he should be transferred instead of pensioned and that an office should not be filled once vacated. It was hoped that with the focus on merit in the recruitment and promotion processes that this would be less of a problem.\(^{43}\)

\(^{40}\) Ibid., pp.xxi-xxii.
\(^{41}\) Ibid., p.xxii.
\(^{42}\) Ibid.
\(^{43}\) Ibid., p.xxiv.
Despite the recommendations for large changes in how superannuation was calculated and managed, including the introduction of contributions and a change in how they were calculated, when the report was discussed in parliament it was another aspect of the superannuation system that became the focus. Following the publication of the Royal Commission’s report, one of the members of the Commission, Mr Henry Fowler, MP for East Wolverhampton, brought what he saw as the principle grievance to the House of Commons.\footnote{Hansard, House of Commons Debate, 30 November 1888, vol. 331 cc614-711.} With an annual cost of nearly £2 million, which he calculated as being nearly 3d in every pound in income tax, Fowler was adamant that the cost of superannuation needed to be cut, and that the obvious way to do this was to combat some of the grievances uncovered by the committee.\footnote{Hansard, HC Deb, 30 November 1888, vol. 331 cc615-616.} The first was the ‘abolition terms’ under which inefficient civil servants could be retired, secondly, the lack of regulation surrounding medical certificates and the retirement of officers due to ill-health, and finally the procedure of adding ten years to the calculation of pensions for professional employees including magistrates.\footnote{Ibid.\, cc.617-621.}

The cost and abuse of the ‘abolition of offices’ clause of the Superannuation Act was a principal issue for the commissioners and was discussed in both the 1887 and 1888 report. The ability to remove men from office had been portrayed as a distinct benefit of the superannuation system over ten years previously in the 1873 Select Committee by Welby and Lingen of the Treasury.\footnote{1873 [352], pp.147 and 7.} In the 1887 report, the commissioners, one of whom included the now ennobled Lingen, acknowledged that the removal of inefficient men must bring large financial benefit to the government, but were also scathing about the misuse of this part of the Superannuation Act.\footnote{PP 1887 [5226], p.xxiv.} In their view the reorganisation of the Accountant-General’s Department of the Admiralty had been a prime example where staff had been reduced and then simply replaced later, they also suggested that the reorganisation could have seen good men released but others retained ‘whose services might with advantage have been dispensed with’.\footnote{Ibid., p.xxiv.} Perhaps, unsurprisingly with Lingen on the Commission, their solution for this type of blunder was to allow greater Treasury control and management of the redundancies.\footnote{Ibid., p.xxiv.} The 1888 report went into more detail of how the practice should be amended, recommending a new Act of Parliament to enable each large reorganisation of an office or offices to either remove the right to a pension or reduce it.

\begin{thebibliography}{9}
\item\textit{Hansard}, House of Commons Debate, 30 November 1888, vol. 331 cc614-711.
\item\textit{Hansard}, HC Deb, 30 November 1888, vol. 331 cc615-616.
\item Ibid., cc.617-621.
\item 1873 [352], pp.147 and 7.
\item PP 1887 [5226], p.xxiv.
\item Ibid., p.xxiv.
\item Ibid., p.xxiv.
\end{thebibliography}
significantly.\footnote{PP 1888 [5545], p.xxv.} If a single officer had to be removed, it was suggested he should be transferred instead of pensioned and an office should not be filled once vacated. It was hoped that due to the focus on merit in the recruitment and promotion processes this would be less of a problem.\footnote{Ibid., p.xxv.}

The cost of superannuation had been important to the Royal Commissioners, but it was dominant in the subsequent parliamentary debate, with little discussion of the meaning or ownership of the pension. MPs focused on the areas listed by Fowler and were in general agreement that action should be taken swiftly.\footnote{Hansard, HC Deb, 30 November 1888, vol. 331 c614-672. Lord Randolph Churchill, amongst others, was particularly aggrieved by the issue of adding ten years to the service of professionals, with Irish magistrates continually picked out for complaints.} The issues of ‘abolition terms’ and principles for professional officers’ retirement allowances, were simply a matter of changing regulation, along the lines of the report’s recommendations.\footnote{In regard to professional classes, the commissioners did not feel they should receive any extra pension for their work. PP 1888 [5545], p.xxii.} However, the matter of medical certificates was slightly more complicated. There was a general suspicion of ‘friendly doctor[s]’ providing inaccurate or untrustworthy certificates that pensioned officers on grounds of ill-health, and a criticism that there was no mechanism to check up on these officers to ensure they were still incapacitated and not, in fact, working elsewhere whilst still claiming their pension.\footnote{Ibid., c641.} There was an accepted understanding that civil servants did not own that pension payment, and, if they were able to be employed elsewhere, the government should be able to stop the remuneration. As Mr Handel Cossham, MP for East Bristol, articulated, there was an assumption by MPs that the government’s power in regard to pensions was ‘permissive and not compulsory’, whereas the government acted as if the granting of pensions was a ‘matter of absolute compulsion’.\footnote{Hansard, HC Deb, 30 November 1888, vol. 331 c641.} Cossham and other MPs called for the state to act more like a private company and review any pensions given on medical terms, arguing in terms of fiscal responsibility but highlighting that superannuation was compensation that could be given and equally taken away.

The issue regarding deferred pay and whether contributions should be introduced were touched upon but were not central to the debate.\footnote{Ibid., c657.} This was partly due to a clear disagreement on how far civil servants could be treated the same as employees of a private company. Fowler supported the view of the Commission that advocated a contribution of 5% of salaries, bringing

\footnotetext[51]{PP 1888 [5545], p.xxiv.} \footnotetext[52]{Ibid., p.xxiv.} \footnotetext[53]{Hansard, HC Deb, 30 November 1888, vol. 331 c614-672. Lord Randolph Churchill, amongst others, was particularly aggrieved by the issue of adding ten years to the service of professionals, with Irish magistrates continually picked out for complaints.} \footnotetext[54]{In regard to professional classes, the commissioners did not feel they should receive any extra pension for their work. PP 1888 [5545], p.xxii.} \footnotetext[55]{Hansard, HC Deb, 30 November 1888, vol. 331 c641.} \footnotetext[56]{Ibid., c657.} \footnotetext[57]{Ibid., c625.}
civil servants in line with clerks in the railways, such as the London and North Western.\textsuperscript{58} However, Mr Goschen, the Chancellor of the Exchequer, disputed this idea, arguing that private firms were not under ‘extraneous pressure’ of government to justify and prove every decision, in addition, the recruitment process and ‘watchfulness’ exercised over civil servants by the House of Commons, set them apart from other employees.\textsuperscript{59} If the two sets of employees were distinctly different, then their pensions systems should also be managed differently.

It would be four years before any of the 1888 Royal Commission’s recommendations on superannuation made it into legislation. Despite the continued pressure and questions from the House of Commons, and even being included within the Queen’s speech in 1889, the subject was seen as being too ‘difficult and complicated’ to make a successful Bill.\textsuperscript{60} By this stage, most of the legislation had already been imposed through Treasury Minute or other regulation, and saw the introduction of the compulsory retirement age of 65, a removal of the policy to add ten years to the service of professional officers, as well as the end of special ‘abolition terms’ and a new regulation that meant medical certificates could undergo investigation if felt necessary.\textsuperscript{61} When the Act was finally passed in June 1892, it was concerned with the definition of public office and the ability to consider more than one employment, if they were continuous and successive, within a pension calculation.\textsuperscript{62}

No new regulation or legislation addressed the discussion of how a pension was earned, either through deferred pay or loyalty and the terms of a contract. Despite being directly handled within the 1888 Royal Commission, these issues had been effectively ignored or avoided by MPs allowing the deferred pay campaigning to gather evidence and build in momentum. The Civil Servants, encouraged and supported by their newspaper \textit{The Civil Service Gazette} and led by the Deferred Pay Committee, felt they had ample evidence that their pensions were deferred pay and that, consequently, their families had a claim to financial aid in the event of their death. However, the Treasury, now led by Sir Francis Mowatt, was clear that pensions were simply a reflection of the contract between employer and employee for the advantage of an efficient government for the public. It was acknowledged that salaries were lower than the market rate but not that the difference amounted to the equivalent of a pension and that any payment to families would be an ‘additional benefit’ that would have to be paid for either

\textsuperscript{58} Ibid., c625.
\textsuperscript{59} Ibid., c628.
\textsuperscript{60} \textit{Hansard}, HC Deb, 7 March 1889, vol. 333 c1157; \textit{Hansard}, HC Deb, 25 February 1890, vol. 341 c1169.
\textsuperscript{61} \textit{Hansard}, HC Deb, 17 March 1892, vol. 2 c1071.
\textsuperscript{62} 52 and 53 Vict c. 40, Superannuation Act 1892.
through smaller pensions or smaller salaries. It would take another Royal Commission—in 1903—to address the issue and produce recommendations that the Deferred Pay Committee could support and lobby for in the coming years.

**The 1903 Royal Commission on Superannuation in the Civil Service**

Civil servants had been asking for recognition of their families within the superannuation system since the 1840s. These demands had since been examined several times, but consistently dismissed or ignored as other issues took priority. However, in 1902, a new Royal Commission was established with the sole purpose of determining if it was possible ‘to amend the existing system of superannuation of persons in the Civil Service of the State as to confer greater and more uniform advantages upon those to whom it applies’. It may have been set up with the caveat of not ‘increasing the burden which it imposes on the taxpayer’, but this was the first time the demands of the civil servants were the focus of the discussion. This was a direct result of the actions taken by the Deferred Pay Committee. By 1902, they had been campaigning for six years, and had galvanised large numbers of civil servants, sending a petition signed by 50,000 of their colleagues.

The establishment of a Royal Commission was an achievement for the Deferred Pay Committee and there was a real sense of optimism that it might be able to finally meet their grievances. This was an opportunity to ‘get to the bottom of things’ and give justification to civil servant agitation. Even considering the restrictions of the Commission the secretaries of the Deferred Pay Committee, Charles R. Moir and Herbert Rolfe, hoped that the terms of reference might be pushed to their extremes, acknowledging that including families within the superannuation system would come at a financial cost. They felt this was acceptable as this was not a burden on the state, but a cost met by civil servants.

As a result, the first point Moir and Rolfe wanted to emphasise was the definition of pensions in the Civil Service as deferred pay. The arguments and statistics based on evidence presented

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64 PP 1903 [1744], p.iv.
65 Ibid., p.iv.
66 The Times, 28 November 1902, p.11 By the time of the Commission, the Committee claimed they had the support of between 60,000 and 70,000 out of a total 100,000 established civil servants. PP 1903 [1745] Minutes of Evidence to the Report of the Royal Commission on Superannuation in the Civil Service together with Appendices and Index, p. 11.
68 Ibid., p.11.
69 Ibid., p.12.
by various MPs and Treasury officials in the 1873 and 1888 inquiries were well rehearsed but
did not provide much data for the current Commission to analyse. When asked where he
believed Mowatt had got his figures to value a pension at 16% to 20% of salaries, Moir had to
admit that he did not know: all he could argue was that the figure proved that in ‘the Treasury
mind’ there was ‘some deduction’.\(^\text{70}\) This deduction, Moir and Rolfe argued, was also seen
when comparing the salaries of established and unestablished civil servants. Within the War
Office, Dockyards and Post Office there had been several occasions when temporary workers
had been brought into the establishment and received a lower salary.\(^\text{71}\) Furthermore, the grant
female postal employees were given upon leaving the service to get married was also seen to
be a ‘recognition that some of her pay [had] been deferred’.\(^\text{72}\) Combined with the fact that civil
servants were paid below market rate, for Moir, Rolfe and many of the other civil servant
witnesses, it was strongly felt that civil servants were not paid as much as they could be and
this was directly linked to pension provision.

Nevertheless, as evidence from the Treasury demonstrated, these deductions were not a matter
of a simple calculation. T. L. Heath, principle clerk in the Treasury, testified that the Treasury
was in a difficult position to make any reliable calculations or predictions on the cost of
pensions due to growth of the Civil Service and variations between departments. In the
Customs department pensions equalled 30.6% of the cost of salaries in the year 1902-3, very
similar to the cost eleven years before which was 32%.\(^\text{73}\) In contrast, the cost of pensions
compared to salaries in the Post Office was very low, standing at 4.8% in 1892-3 and creeping
up to 5.97% in 1902-3. For Heath these figures did not ‘feel anything like the normal charge’,
as the department had grown so quickly, and due to the continuous restructurings and changes
made between and within departments it was very difficult to predict any future ‘normal
charge’.\(^\text{74}\) Discussing the deduction made to salaries when staff moved from temporary to
established employees, Heath acknowledged that it could be regarded as going ‘towards the
cost of giving him pension rights’, but it was not related to any specific calculation and would
be a ‘small contribution’.\(^\text{75}\) In addition, the payment to women who left to get married was a
‘kind of discretionary allowance’ that derived from the department they worked it, and had not

\(^{70}\) Ibid., p.12.
\(^{71}\) Ibid.
\(^{72}\) Ibid., p.27.
\(^{73}\) Ibid., p.7.
\(^{74}\) Ibid.
\(^{75}\) Ibid., p.10.
been subject to an Act of Parliament.\textsuperscript{76} In other words, it was not official government policy and had been a practice developed specifically for women in that situation. It appeared that Moir and Rolfe were close to the mark when they put forward their suspicion that the Treasury did not work with any specific system in mind, and the superannuation policy had almost been formed ‘by chance’.\textsuperscript{77}

After interviewing a range of witnesses, the Commissioners conceded that superannuation available to civil servants could be defined as deferred pay, but it was payment upon continuity of service rather than any perceived deductions of salary.\textsuperscript{78} Civil Servants held a contractual agreement that assured payment ‘of a definite salary or way during the continuity of … service and of a provision of a pension for the remainder of his life upon retirement’.\textsuperscript{79} The salaries of civil servants were below market rate, but the reduction did not equate to the provision of a pension. Instead deferred payment rested on ‘the continuity being maintained during a defined period and not accruing from year to year as an indefensible interest’.\textsuperscript{80} In this sense deferred pay was reshaped by the commission as a type of compensation or reward; it was not, as the Deferred Pay Committee had argued, owed to, and owned by, civil servants.

If the pension was part of a contract based on continuity of service—a reward for loyalty—provision for families was not a right and separate insurance would be needed to meet this demand. Through the Commission’s investigation, a list of seven insurance or charitable organisations that made some provision for civil servants’ families were listed. Some applied to specific departments, such as the Postmen’s Mutual Benefit Society and the Post Office Insurance Society, whereas others were available to all civil servants, such as the Civil Service Insurance Fund and the Civil Service Benevolent Fund.\textsuperscript{81} The Civil Service Insurance Fund had been established in 1890 and had sold over 20,000 policies; it had also started a widows and orphans annuity fund.\textsuperscript{82} However, despite being available to all departments it had a

\textsuperscript{76} Ibid., p.8.
\textsuperscript{77} Ibid., p.14.
\textsuperscript{78} Witnesses included representatives of the Deferred Pay Committee, as well as other members of the Civil Service that were connected to insurance and benevolent societies, unions and the Treasury. In addition, an accountant from the London and North-Western Railway Company, an Alderman of the City of Manchester and the Chairman of the London County Council were also called to discuss their respective superannuation systems. Ibid., p.iv.
\textsuperscript{79} PP 1903 [1744], p.vi.
\textsuperscript{80} Ibid., p.vi.
\textsuperscript{81} The other institutions were the Customs Annuity and Benevolent Fund, the Inland Revenue Benevolent Fund and the Board of Trade Surveyors Mutual Trust. Ibid., p.viii There is no mention of the Rowland Hill Benevolent Fund which was also in operation for Post Office staff.
\textsuperscript{82} Ibid., p.viii.
minimum policy of £100 and was intended for grades above postmen.\(^{83}\) The Postmen’s Mutual Benefit Society and the Post Office Insurance Society held approximately 12,000 and 20,000 policies respectively offering a minimum insurance of £25 and £50.\(^{84}\)

It appeared that the mechanisms existed to meet the need of civil servants’ families. However, the problem, in the eyes of civil servant members of the Deferred Pay Committee, was that membership of all of these societies was optional, and they believed it was the state’s responsibility to provide this type of insurance for their families.\(^{85}\) They argued that the extra insurance from these societies was not accessible as membership or subscriptions had to be paid for out of salaries which, they believed, were already smaller due to superannuation. Additionally, most of these organisations were independent of government and did not receive any contributions from the state, Moir stated that he had been on the committee of the Civil Service Benevolent Fund for ten years and in that time the government had made no grants to it, though some of the departmental benevolent funds may have received small grants previously.\(^{86}\) As suggested by one of the Commissioners, MP Arthur Morton, for many civil servants the argument that pensions should be provided as the public would not want civil servants to be destitute in old age was not enough, and this sentiment should be extended to their widows and orphans.\(^{87}\)

The Commission’s report had reframed the definition of deferred pay, removing any claim of ownership, and highlighted the various ways civil servants could provide private insurance to help their families and dependents after their death. Nevertheless, a new compulsory insurance system was proposed, one that would pay a year’s salary to a servant’s dependents upon their death, or, if already pensioned, it would pay the difference between what had been paid out and a year’s salary.\(^{88}\) This proposal was based upon a reduction of pension by a quarter, moving from a scale of sixtieths to eightieths and was to apply to all male new starters and be optional for the male workers who had worked for less than ten years.\(^{89}\) Women were excluded from the new system as it was assumed most women working in the service were unmarried, and

\(^{83}\) PP1903 [1745], p.25.
\(^{84}\) PP 1903 [1744], p.viii.
\(^{85}\) PP1903 [1745], p.19.
\(^{86}\) PP1903 [1745], p.27.
\(^{87}\) Ibid.
\(^{88}\) PP 1903 [1744], p.xii.
\(^{89}\) Ibid.
consequently did not have a dependent family who would need this type of insurance in the event of their death.\textsuperscript{90}

The recommendation from the Commission was an attempt to meet the grievances of the civil servants, despite proving that their claims, particularly those focused on the deductions from their salaries, were unfounded. However, not all the members of the Commission agreed with the final recommendations and a supplemental report was submitted by Sir Ralph Knox and Edward William Brabrook, distancing themselves from the main report and defending the current system.\textsuperscript{91} Knox had been Accountant-General of the War Office and Permanent Under-Secretary of War until 1901 when he retired.\textsuperscript{92} At the time of the Commission he was chairman of the Civil Service Insurance Society, and presumably receiving a pension under the 1859 Superannuation Act.\textsuperscript{93} Brabrook had started his career in an insurance office and finished it as Chief Registrar of Friendly Societies, retiring in 1904 with the reputation as an expert in thrift and social insurance.\textsuperscript{94} Both men were very familiar with systems of insurance and not sympathetic to the Deferred Pay Committee’s claims. As Brabrook was to later assert, he believed ‘the right way to provide for old age [was] by thrift, self-denial and forethought in youth’.\textsuperscript{95}

They argued that the old superannuation system was ideal for what it was designed for. In principle it supported older workers in ways similar to procedures seen in the commercial world where aged employees were given less work for reduced pay, and it consequently made no difference to salary.\textsuperscript{96} In practice, the superannuation system had enabled the Civil Service to gain a reputation for fidelity, zeal and independence and had been copied by ‘establishments of the highest standing in the country’.\textsuperscript{97} It was a system that worked across a vast range of departments and employees on very different average salaries. In contrast, they saw the new

\textsuperscript{90} Ibid., pp.xii-xiii A marriage bar had been employed in the Post Office since 1876, with the marriage gratuity introduced in the 1890s and extended to all Civil Service typists in 1894. Nonetheless, in 1903 there was still some flexibility within departments. See H. Glew, \textit{Gender, Rhetoric and Regulation: Women’s Work in the Civil Service and London County Council 1900-55} (Manchester, 2016), pp.178-179.
\textsuperscript{91} PP 1903 [1744], p.xv.
\textsuperscript{92} ‘Sir Ralph Knox Obituary’, \textit{The Times}, 22 July 1913, p.19.
\textsuperscript{93} Ibid. The obituary suggests he was chairman of the Civil Service Benevolent Fund however, he is noted in evidence of the 1903 Commission as being chairman of the Civil Service Insurance Society. PP 1903 [1745], p.11. It is possible that \textit{The Times} confused the two organisations, or he may have taken the role at the Benevolent Fund at a later date.
\textsuperscript{94} ‘Sir Edward Brabrook Obituary’, \textit{The Times}, 21 March 1930, p.19.
\textsuperscript{95} Ibid. Quotation from a paper on ‘Social Insurance’ at the Royal Statistical Society, following the passing of the Old Age Pension Act of 1908. Although discussing social insurance rather than occupational pensions, it demonstrates Brabrook’s support of private insurance schemes over larger state sponsored schemes.
\textsuperscript{96} PP 1903 [1744], p.xv.
\textsuperscript{97} Ibid.
system, proposed by the rest of the Commissioners, as inadequate. They argued that actuarial analysis was needed, suggesting any change would inevitably transfer the emoluments of some departments to others as the cost fluctuated and would increase the financial burden on the taxpayer. They also objected to the idea that families would receive support at the cost of pensions, and any move to ‘avoid the stress of making a present payment’ was inverting any tendencies towards thrift.

Despite Knox and Brabrook’s objections the recommendations made by the rest of the Commissioners, to redistribute the cost of superannuation and include a provision for families and dependents for male employees became the basis for an Act of Parliament in 1909. The civil servants’ campaign had managed to influence and sway the majority of the Royal Commission to support the idea that there was justification in providing financial assistance to family members of civil servants in the event of their death, and it was not the responsibility of the servant alone. However, what this meant for a definition of superannuation was still not clear. The Commission did not see it as the property of the civil servant or their family and instead encouraged this transaction to take place as an extension of salary, part of a contract, but also a reward for loyalty. The ambiguity on the definition and conflict within the Royal Commission ensured a bumpy path between report and Act of Parliament, and it was never certain that it would happen. As the Civil Service Gazette concluded with cynicism and regret ‘When doctors differ who shall decide?’

The 1909 Superannuation Act

Civil servants’ initial reaction to the proposals of the 1903 Royal Commission, which became known as the ‘Courtney scheme’ were subdued. The Deferred Pay Committee had campaigned claiming to represent a united Civil Service, but, as Knox and Brabrook had suggested, the needs across grades were different, and questions were quickly asked about the loss of pension for the lower grades. A consensus was eventually established as the Deferred Pay Committee and its supporters accepted the changes as the best they were going to get. Yet, despite the campaign’s resignation it would not be until 1909 that a new Superannuation Act was passed by parliament due to other priorities as well as the perceived complexity of the situation.

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98 Ibid., p.xv.
99 Ibid.
100 Civil Service Gazette, 3 October 1903, p.10.
As the largest and most diverse department, it is unsurprising that the Courtney Commission divided opinion within the Post Office. *The Post*, a publication for the Fawcett Association, an organisation that represented postmen and sorters, published an editorial that was very quick to dismiss the report as a ‘disappointing document’.\(^{101}\) It lamented there was no discussion of pensions for unestablished employees, or of improving the pension provision for lower grades by allowing workers to retire early.\(^{102}\) It disputed their definition of deferred pay, and were very critical of the suggestion that any benefit to widows and orphans had to be paid for by reducing pensions.\(^{103}\) They argued that the current system provided a pension that was ‘hardly sufficient to keep [the lower ranks] outside of the workhouse’ and were adamant that they could not entertain any further reduction.\(^{104}\) As far as they could see their ‘fight for justice [had] just begun’.\(^{105}\)

However, the following week, the Chairman of the Association, G. W. Gains, published a more sympathetic piece in *The Post*. It acknowledged the loss of pension, but argued that it was an ‘improvement’ on the current system and the best offer the Commission could provide given the restriction of the terms.\(^{106}\) The improvement rested with the provision for widows and orphans, and given that only five in every hundred sorters retired on a pension, there were many more families that would benefit.\(^{107}\) It did not answer all of the Association’s grievances, but, for Gains, it was worthy of support.

The uncertainty about how to receive the report was also evident in the coverage in the *Civil Service Gazette*. Following the Courtney Commission’s publication, the Gazette gave a very straightforward and factual account, and then neglected the subject until the week after Gains’ piece in *The Post*.\(^{108}\) This was nearly a month after the Commission had published its findings, and even this report was a factual account of Gains’ position and argument. In stark contrast to the knee-jerk call to arms put forward by *The Post*’s editor, the *Gazette* remained silent on the subject for several months. It may have seen itself as fighting ‘single-handed’ for the cause of

\(^{101}\) *The Post*, 10 October 1903, p.344.
\(^{102}\) Ibid., p.344.
\(^{103}\) Ibid., pp.344-345.
\(^{104}\) Ibid., p.345.
\(^{105}\) Ibid.
\(^{106}\) *The Post*, 24 October 1903, p.354.
\(^{107}\) It was stated that, in 1902, 2,068 sorters left the service through dismissals, deaths, invalidity, etc. Only 215 of these sorters were pensioned. Ibid., p.355.
\(^{108}\) *Civil Service Gazette*, 31 October 1903, pp.9-10.
superannuation, but without direction from the Deferred Pay Committee the paper could not provide an opinion for its audience.\textsuperscript{109}

No action or position was taken until the spring of 1904 when the Deferred Pay Committee began to hold meetings across the country to discuss the report and its recommendations. These meetings were important for establishing the general support for the Courtney system, but they were also part of an effort to establish carefully the narrative of the campaign now it appeared to be coming to an end. The \textit{Gazette} reported that a meeting in Sheffield had declared that ‘they were not agitators’, a meeting in Liverpool asserted that there was not a ‘more unselfish movement’, and in 1905 a letter sent to a London daily newspaper described the deferred pay campaign as a movement of ‘quietness and dignity’ rather than an agitation.\textsuperscript{110}

The committee’s momentum had stalled, and though strong support still existed throughout the Civil Service, there was no desire to take more drastic action. Nevertheless, pressure was maintained, and the issue never managed to go away. In 1905, the Chancellor of the Exchequer received a deputation of civil servants to discuss the Courtney Commission.\textsuperscript{111} In 1906, a vote was held amongst civil servants which overwhelmingly supported the Courtney system and the subject of pensions was discussed and reported in the 1907 Select Committee on Post Office Servants.\textsuperscript{112} By 1908, this persistence had paid off and a Bill was being prepared and actuaries consulted.\textsuperscript{113}

For the government the success of the Civil Service Superannuation Act was that it was not redefining a pension system that would cost them more money. The most important aspect of the new ‘Courtney scheme’ to Charles Hobhouse, Financial Secretary to the Treasury, was that the scheme was simply a ‘redistribution’ of funds, and not a new scheme at all.\textsuperscript{114} The 1909 Act did not introduce contributions as the 1903 Courtney Commission had suggested but instead focused on financing a payment upon retirement or death by reducing the possible pension from a faction based on sixtieths to eightieths.\textsuperscript{115} Pension amounts were reduced but families were now provided for and there were additional provisions for servants who had

\textsuperscript{109} \textit{Civil Service Gazette}, 3 October 1903, pp.9-10.

\textsuperscript{110} \textit{Civil Service Gazette}, 12 November 1904, p.10; \textit{Civil Service Gazette}, 17 December 1904, p.9; \textit{Civil Service Gazette}, 6 May 1905, p.9.

\textsuperscript{111} \textit{Hansard}, HC Deb, 18 April 1905, vol. 145 c447.

\textsuperscript{112} Plebiscite vote discussed \textit{Hansard}, HC Deb, 2 July 1909, vol. 7 cc771; and in the PP 1907 [266] Report from Select Committee on Post Office Servants, p.11.

\textsuperscript{113} Correspondence with the Treasury on progress of the Bill were printed in \textit{The Post}: for example, see 22 February 1908, p.59, 16 May 1908, p.208 and 28 November 1908, p.310.

\textsuperscript{114} Reading of the Superannuation Bill published in \textit{The Post}, 10 July 1909, p.282.

\textsuperscript{115} \textit{Hansard}, HC Deb, 2 July 1909, vol. 7 c.773.
served for less than ten years and were either forced to retire or died in service.\textsuperscript{116} As chairman of the 1907 Select Committee on Postal Servants, Hobhouse had become increasingly aware and sympathetic to the desire for change in the superannuation system. That Committee had not felt equipped to make substantial recommendations in relation to pensions, but it did hear grievances from the postal staff and noted its support of the Courtney system in providing support for the widows and orphans of postal employees.\textsuperscript{117} The Superannuation Bill that was presented in January 1909 met the long held desire of civil servants to have some recognition of the needs of their families and was justified in parliament as a redistribution of funds and not a promise of more money.\textsuperscript{118}

By this stage the idea or discussion of superannuation as deferred pay and what that definition meant had fallen away. There was no recognition of employees paying towards their pension through reduced or deferred wages, and families were entitled to the one-off cash payment of a year’s salary and no more. As a result, families did not have a claim upon the pension and their rights to the public purse were strictly limited. This availability of funds, even at the cost of the value of a pension was enough to appease the civil servants. Throughout the Deferred Pay Committee’s campaign, the definition of deferred pay had been central. An emphatic article in the Committee’s biggest supporter, the \textit{Civil Service Gazette} declared that it was

‘absurd to regard a pension as a compassionate allowance for old age when beyond work, or when, from one cause or another, one is incapacitated from working. A pension is \textit{not} a gift, and cannot by any stretch, or should not by any stretch, of imagination be so regarded; it is part and parcel of the conditions of remuneration under which employment is taken in her Majesty’s Civil Service.’\textsuperscript{119}

However, following the Courtney Commission this anxiety about definition was dropped. Writing to the Treasury in December 1908 Herbert Rolfe outlined seven points he felt should be considered when preparing a Bill to amend the current Civil Service Superannuation. Rolfe’s interests were to make the new provisions available to all and to safeguard some of the key aspects of the 1903 Courtney Commission. He wanted the new system to be optional for current staff and available without a medical exam, he also wanted current benefits available

\begin{enumerate}
\item \textsuperscript{116} Ibid., c.772.
\item \textsuperscript{117} Particularly as it was noted that superannuation for the police provided this and civil servants on the continent also had this advantage. PP 1907 [266], p.11.
\item \textsuperscript{118} As part of this desire to meet a perceived need, women were excluded as they had not voted with other civil servants for change, and were not seen to need provisions for families. See Hansard, HC Deb, 2 July 1909, vol. 7, c.773.
\item \textsuperscript{119} \textit{Civil Service Gazette}, 5 December 1896, p.10.
\end{enumerate}
to civil servants such as gratuities based on the number of years of service for early retirement on the grounds of ill-health to continue alongside the one year’s pay. The full amount of one year’s pay was demanded for all of those retiring early or dying at any point whilst in service and that the cash payment would be a right for all employees. Six years after giving evidence to the Courtney Commission, where Rolfe had emphasised the desire to have superannuation defined as deferred pay, it was evident that the money was more important than definition and it was generally felt that the good out-weighed the bad. As the final reading of the Bill and the creation of the Act approached, a cautious article in the Civil Service Gazette expressed its belief that though it was felt there was much good, the definition of the superannuation was still left ambiguous as it indicated that ‘in the eyes of the Treasury pensions are a favour, and not a right’. However, it was too late to push for any further change and, for the sake of their families, this point had to be conceded.

Conclusion

Through examination of Committee and Commissioner reports on government finances and the Civil Service from the 1870s and 1880s, it is increasingly evident that the Treasury was not clear on how to define superannuation. Pensions to civil servants were continually defended for the benefit they brought the public through longevity of service and the ability to remove inefficient workers. However, it was unclear how they were calculated and how they related, if at all, to salaries. This uncertainty gave rise to the Civil Service Deferred Pay Committee and a slow and steady campaign for recognition of their claim over pensions for their families based on the definition of deferred pay.

Ultimately the Deferred Pay Committee lost the argument but managed to achieve real change to the Civil Service superannuation system. The 1903 Courtney Commission had the potential of increasing uncertainty as even the commissioners could not unanimously agree on a definition or course of action. However, it was able to increase support for making provisions for a civil servant’s family in the event of their death. Civil servants had based their claim for financial support for widows and orphans on the fact that they owned their pensions, it was money earned and owed to them by the state. However, in order to achieve recognition of their families’ needs, they were forced to surrender this claim and accept superannuation as compensation or reward for loyalty. The Superannuation Act was finally

121 Civil Service Gazette, 31 July 1909, p.9.
passed in September 1909 granting the concessions civil servants had been asking for since the 1840s. It was passed by Hobhouse and other MPs who felt they should ‘give what you can to the great majority of civil servants’—their gift to loyal workers.\textsuperscript{122}

\textsuperscript{122} \textit{Hansard}, HC Deb, 2 July 1909, vol. 7 c.773.
Conclusion

‘… My application, indorsed with the Secretary’s recommendation, was speedily sent in to the Treasury; and, on a bright morning in March 1872, exactly twenty-five years after I entered the service, as I opened my letters at an hotel in Falmouth, I found one among them informing me that my prayer was granted, and that I was a free man, with a pension of about 200l a year.’

Edmund Yates, *Edmund Yates: His Recollections and Experiences*, 1885

Edmund Yates was a journalist and novelist; he was also, until 1872, an official at the Post Office.¹ His postal career had predominately been in the Missing Letters Branch, where he was head of department for ten years until telegraph services were nationalised and absorbed into the Post Office, when he moved to that department.² However, he was not in this new role for very long before he found himself in a position where he could take early retirement. Under the rules of the Civil Service superannuation, if a position was being abolished an officer could be offered superannuation with an extra ten years added onto his pension calculation.³ Despite having a second career to fall back on, this was not an easy decision for Yates to make. There was, firstly, the financial impact, through a pension Yates would still receive a regular income on ‘the first of every month’, but it would be ‘considerably reduced’.⁴ This in turn, would put more pressure on his writing income, and Yates was fully aware that the work of a writer was considerably less reliable and stable compared to the Civil Service. At the Post Office he was assured that ‘as long as the country and the Bank of England lasted’ he would have a secure role and steady income.⁵ Nevertheless, the pension on offer for an abolished office was a good one, and his friend and boss, Frank Scudamore, reminded him that he would have to work for an extra decade to hope to get the equivalent sum.⁶ It appeared to be an obvious decision to make, and Yates applied for his pension, becoming a ‘free man’.⁷

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² Ibid., pp.373-374.
³ 22 and 23 Vict. c. 26 Superannuation Act 1859.
⁵ Ibid., p.387.
⁶ Ibid., p.386.
⁷ Ibid., p.388.
The Civil Service superannuation was unique in Britain in the nineteenth century and extremely influential. By developing a system of payment for workers the government was attempting to meet the individual needs within a growing and modernising Civil Service. It fostered a relationship with civil servants that held on to traditional values, such as rewarding loyalty, but was also modelled on changing ideas of what type of payment was acceptable in retirement. This influenced other organisations, by providing a model of how to calculate a pension or helping to create a clerking culture that expected a retirement provision.

At the beginning of the century the British government had enacted a system of superannuation that was founded on principles of loyalty and length of service, as well as benevolence for the aged and sick, and developed a system of payment based on a calculation of length of service and salary. These were distinctly different characteristics from other occupational welfare systems based on friendly or benefit society principles where the money paid into a fund could determine later payment. The government developed this system to meet several needs. It was attempting to combat a system of payment through the Civil List and sinecures increasingly seen as corrupt and expensive. Secondly, providing pensions for public officials was seen as a public benefit: a system of salaries and pensions prevented bribes and financial embarrassment. Finally, it helped to ensure an efficient working government machine by keeping a fit and healthy workforce and enabling government to remove inefficient workers through the clauses related to abolition of offices. These values were considered so important that they were also imposed upon the East India Company through the 1813 Charter Act. Yet, even with this overt attempt to curtail spending at the Company, the ad hoc, discretionary system was maintained in parallel.

At the East India Company, we see the clear distinction between superannuation and pension. For the Company, superannuation was the government-imposed payment system for retiring employees, whereas the Company used pensions to grant money to anyone for a variety of reasons. Similarly, the Bank of England did not offer superannuation. Instead, the Court of Directors decided on the pension amounts to be given, although payments were given regularly

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12 For examples of this see PP 1822 [260] Return of Pensions, Allowances and Superannuations payable by East India Company in Europe.
enough to suggest the presence of a system, though an informal one. The directors used their ability to grant discretionary payments to give large pensions to those it felt were most deserving, notably employees in the Chancellor of the Exchequer department and porters. A scale of payment was adopted in the 1830s, adapted from the Civil Service scheme, and was probably used to regulate and control payments, though there was little discussion of it.

The 1870s was a watershed: occupational pensions became prolific and increasingly regulated. The British government had reassessed the role and organisation of the Civil Service in the 1850s, leading to the Civil Service Commission and the 1859 Superannuation Act. Yet, for other organisations, a reconsideration of their relationship with their employees through their pension provisions did not happen until the 1870s. Competition for recruitment of clerks was a recurring theme. At the Bank of England an analysis of recruitment and pensions concluded that tighter regulation was needed to improve entrance exams and introduced detailed guidelines and scales for pensions to enable them to compete with the Civil Service as a recruiter. However, traditional features, such as patronage, a non-contributory pension and the discretion of the Court of Directors were maintained. Similarly, many railway companies felt increasing pressure from clerks for a comprehensive superannuation system to be installed. There was still plenty of disagreement over what a railway superannuation should look like, but it was something clerks wanted for their own security, as well as for their social status. The Railway Clearing House had attempted to install a superannuation scheme to align the railways with the Civil Service and Bank of England in the 1840s and 1850s, but it was not until the employees demanded it that it was able to take off.

Despite the growth of occupational pensions and the widening influence of the Civil Service superannuation, the 1859 Superannuation Act remained unique and important because it was non-contributory. Over the course of the second half of the nineteenth century, many civil servants and a number of politicians argued for a contributory system to be reintroduced. However, as the Chancellor of the Exchequer George Goschen, outlined in 1888, the Civil Service was in a unique position and consequently should operate under unique conditions. Unlike private organisations, such as railways, the government could not be subject to accurate

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13 See Table 7 for the averages of pensions granted taken from Bank of England Archive E46/1 Pensions.
15 Ibid., pp.1 and 15.
16 The National Archives RAIL 1080/27, RCH Superintending Committee Minutes, 18 April 1872, p.275.
18 Hansard, HC Deb, 30 November 1888, vol. 331 cc628.
actuarial measurements, partly because they retained a higher percentage of employees, but also because public funds were essentially guaranteed. The difference was not lost on railway employees and much of the criticism of railway funds emulating the government framework, by basing superannuation on length of service and salary, was due to the fact that railway finances were unreliable in comparison to government finances.\textsuperscript{19} The Bank of England may have been in a slightly similar position to government; it was seen as reliable and steadfast and provided non-contributory pensions. However, it was a private institution while civil servants were public servants and, consequently, their grievances were fed into parliament and publicly debated, as well as being remunerated out of public funds.

It was the powerful position held by civil servants that led to one of the major changes to the Civil Service superannuation since 1859: the Superannuation Act of 1909. This Act redistributed the pension to make allowances for civil servants’ families. It came about due to a campaign by civil servants to have their superannuation recognised as deferred pay. Private pensions were often described in this way and civil servants had many examples of government inquiries and commissions where politicians and senior civil servants had made reference to superannuation in a similar way.\textsuperscript{20} The superannuation scheme created in 1859 had been designed to instil loyalty, partly through a sense of entitlement, and by the 1890s this had morphed into a sense of ownership through the definition of deferred pay. Since the 1840s, civil servants had been campaigning for recognition of their family through the superannuation system.\textsuperscript{21} This had been possible through older systems of remuneration, and, unlike the Bank of England, there was no compulsory insurance scheme for widows and orphans.\textsuperscript{22} In the Post Office we can see a number of mechanisms used to generate extra financial support for the hundreds of workers either excluded from the superannuation system for being part of the unestablished workforce, or because they were paid so little they could not take private insurance or expect a pension large enough to support themselves or their family.\textsuperscript{23} The 1903

\textsuperscript{19} PP 1911 [5484] Evidence from Departmental Committee on Railway Superannuation Funds, pp.13-14.
\textsuperscript{20} PP 1899 [48] Return of Memorial with respect to Superannuation to Treasury by Civil Servants of Crown, January 1899. The civil servants were asking for an inquiry into the operation of government superannuation.
\textsuperscript{21} Civil Service Gazette, 1 January 1853, p.10.
\textsuperscript{22} ‘Memorandum relative to the Directors’ Charitable Fund’ in BEA E18/13 – Pension and Other Fund: Directors’ Charitable Fund, 1851–1959.
Courtney Commission did not acknowledge the pensions as deferred pay, but crucially acknowledged a need to include provisions for families.24

Occupational pensions were more than a way to manage a changing workforce: they were loaded with meaning. This thesis has used the work of economic sociologist Viviana A. Zelizer to categorise payments in three ways—as a gift, a compensation and an entitlement—each representing a different power dynamic between employer and employee.25 As the case studies discussed in this thesis demonstrate, occupational pensions could be a continual tug of war since their definitions shifted and the relationship between employee and different employers changed. Sometimes this change was directed by the employer, as seen from the 1859 Superannuation Act, and sometimes it originated with the employees, particularly after the 1870s when institutions like the Bank of England and railway companies had to adapt to clerks’ demands for a defined pension scheme. However, as the campaigns of civil servants demonstrated, these payments were not simply about a relationship between individuals and institutions. Families were integral to how male employees thought about their retirement provision and, since the working classes could prioritise burial insurance, these white-collared men prioritised provisions for their families in the event of their death. Notably, though, these campaigns excluded women because they were not considered to have dependents while working and were forced to leave work once married.

Occupational pensions have traditionally been seen as a tool used by employers to tie down workers and enforce loyalty, and, certainly, for the lowest paid workers in the Post Office, the lack of flexibility and low payments could have felt restrictive. Furthermore, many railway workers were sceptical about the financial management of schemes. More work needs to be done to understand how the women employed in the Post Office and other institutions felt about these provisions. The case studies in this thesis represent just some of the many organisations that offered occupational pensions by the twentieth century. It would be productive to extend this analysis by examining other companies and occupations in the future, including joint-stock banks, the police, local authorities and teachers. As the case studies of the Civil Service, the Bank of England and the Railway Clearing House demonstrate, many workers felt entitled to a pension, despite their employer’s best efforts to make it appear as a reward. This feeling of entitlement was borne out of a range of circumstances, including the definition of deferred pay,

the established custom of a pension or, even, the steadfast belief that employers had a role to play in granting workers the feeling that Edmund Yates had on that bright morning—a sense of a minimum of financial security and freedom.
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