

night, as the date of the termination of the present war:

"And whereas we have had under our consideration the scales of pensions and gratuities allowable, under Articles 1206, 1208, 1931 and 1932 of the King's Regulations and Admiralty Instructions, to petty and non-commissioned officers, seamen, marines and boys who, consequent on wounds, hurts, or disability, are invalided from Your Majesty's Naval Service, and are of opinion that, owing to the altered economic conditions arising from the war, and for other reasons, the scales should be substantially increased:

"And whereas we are further of opinion that invalided petty officers, non-commissioned officers and men of Your Majesty's Royal Navy and Royal Marines should be pensioned on the same scales, and that a minimum period of fourteen years' pensionable service should be required of all future entrants as a qualification for the award of a life pension when the invaliding is due to causes which cannot be attributed to the conditions of service:

"We beg leave humbly to recommend that Your Majesty may be graciously pleased, by Your Order in Council, to authorise us to award, at our discretion, to such men as may be invalided out of the Service on or after the first day of October 1921, for causes which do not bring them within the scope of the War Pensions Acts, or as may be discharged after that date with a wound or injury, pensions and gratuities at the rates and subject to the conditions specified in the Schedules annexed hereto.

"We further beg leave to recommend that we may be empowered to apply the improved scales of pensions, at our discretion, to those pre-war disability pensioners who have served during the war, and have not again been invalided, or who, being under the age of 55 on the outbreak of hostilities and, therefore, liable for service, were exempted from mobilisation for the purpose of continuing in their civilian employment under the Government. Their present pensions to be re-assessed accordingly as from 1st April 1919, on the basis of their total naval service, subject to the provisos that mobilised service shall not confer eligibility for a life pension on men otherwise ineligible, and that men who were originally invalided for wounds or injuries attributable to the Service, but not due to, or arising out of former wars, shall be required to undergo medical examination for the purpose of determining the present degree of disablement.

"The Lords Commissioners of Your Majesty's Treasury have signified their concurrence in these proposals.

" SCHEDULE I.

" SCALES OF PENSIONS AND GRATUITIES ALLOWABLE WHEN THE CAUSE OF INVALIDING IS ATTRIBUTABLE TO THE SERVICE.

" Compensation to be based on length of service and degree of disablement, and, when a pension is admissible, to include the usual additions for rank, good conduct badges and medal.

" SERVICE ELEMENT.

" (a) *Pensions*—

Over 10 years' service, 1s. a day for life.

Over 14 years' service, 1s. 6d. a day for life.

Over 16 years' service, 1s. 9d. a day for life.

Over 18 years' service, 2s. a day for life.

Over 20 years' service, 2s. 6d. a day for life.

" If qualified for the award of a long service pension, 1½d. a day for each complete year of pensionable service.

" The 'over 10 years' rate to be restricted to continuous service ratings who entered under regulations which conferred a claim to a life pension, if invalided, after that period of service on the continuous service system. All men and boys entering the Naval Service on or after the first day of October 1921, whether entered for continuous service or otherwise, to be required to show a minimum period of 14 years' pensionable service in order to qualify for a life pension in respect of services.

" (b) *Gratuities*.—Men discharged with less than the qualifying period of service required for the award of a life pension to be eligible for the grant of a gratuity not exceeding £2 for each completed year of pensionable service.

" DISABLEMENT ELEMENT.

" (a) *Pensions*.—Where the degree of disablement is assessed at 20 per cent. and upwards, pensions may be awarded either temporarily or permanently according to the circumstances of the case, on the basis of a maximum scale of 32s. 6d. a week for total disablement (100 per cent.), lower degrees of disablement carrying proportionately reduced rates.

" (b) *Gratuities*.—If the degree of disablement be assessed at less than 20 per cent., a gratuity appropriate to the degree of disability, but not exceeding a maximum of £100, may be awarded at our discretion. Gratuities may also be granted at our discretion in respect of slight permanent injury due to the Service, for which a Hurt Certificate was granted, when discharge is totally unconnected with the injury, and the pension or gratuity awarded is based on length of service only. The cases of men who have been awarded pensions as from a date subsequent to 31st March 1919, to be reviewed as necessary, subject to medical survey to determine the present degree of disablement.

" RANK ELEMENT.

" This element to comprise the allowance for petty time as laid down in Articles 1938, Clause 1, and 1931, Clause 1, of the King's Regulations and Admiralty Instructions, and the usual additions for good conduct badges and medal as allowed under the Long Service Scale.

" METHOD OF COMBINING THE SERVICE, DISABLEMENT AND RANK ELEMENTS.

" Men eligible for pensions in respect of both the Service and Disablement elements to be granted the larger amount in full, and one-half of the other; the total so arrived at to be increased by the addition of the Rank Element.

" Men eligible for a pension in respect of the Service Element and for a gratuity on the ground of Disablement, or *vice versa*, to have their pensions assessed on the appropriate Service or Disablement scales, plus the Rank Element, and to receive payment in full, in