

found necessary to cope with the distress of the poor on a national scale by means of a poor-law in this colony, so that we have no basis of that kind to refer to.

It may, however, help towards an idea of the amount which the pension should be, so as to provide a minimum only, if the following points be stated:—

(1.) The provision of friendly societies operating in the colony. The sick-allowance, valued by the Actuary to Friendly Societies, was (for the G.U.O.F.) 5s. per week after the first year's sickness until the seventieth year of age, and £6 8s. per annum (about 2s. 6d. per week) after the seventieth year was taken as equivalent to future sick-claims.

I think these rates of sick-pay are worth noting as a fair sample of what men who are asked to pay for what they receive are inclined to deem sufficient.

(2.) Cost of maintenance at the Immigrants' Aid Society, which had, in the words of its honorary secretary, "developed into a benevolent asylum, a convalescent home, and a poor-house." At the last annual meeting the honorary treasurer showed that the gross cost of maintenance was £8 17s. 9d. per annum per inmate, and the net cost £8 6s. 5d., or 3s. 2½d. per head per week.

The above examples would appear to indicate that 10s. per week would be too much for this colony. If 5s., proposed under the British scheme, be deemed to err on the other side, probably a mean of 7s. 6d. would not be far off the mark.

Even in the case of a modest amount of that kind the experience of the British poor-law should not be lost sight of in the following respect: About the beginning of the present century outdoor relief, which generally took the form of grants in aid of wages, replaced indoor relief. This became immensely popular, so much so that the cost to the taxpayers increased from £4,000,000 in 1801 to about £8,000,000 after an interval of twenty years. One of the effects was that those in receipt of such relief were preferred by employers of labour, as they were prepared to work for lower wages than those who had no such addition to their wages. This led to the enunciation of the principle that the condition of the pauper must be below the level of the independent labourer, any other principle being held to be a premium on indolence and vice.

In any scheme of old-age pensions this experience must be fully borne in mind, as it shows the economic effect of any injudicious laws, which would place the independent man in a worse position than the dependent. It will necessitate very careful regulations in connection with the period when a pension would be claimable, and the amount of earnings which would afterwards be permitted to supplement it. The New Zealand scheme appears to me to be particularly faulty in the aspect referred to. Section 38 (1) of the Bill reads, "No pension shall be payable for any period during which the pensioner is either in prison or out of the colony, or possesses an income (*exclusive* of his personal earnings and his pension) at the rate of not less than £50 per year"; while in the schedule of declarations for a pension claim head 5 reads, "That my present means of support (including my personal earnings) do not exceed the rate of £50 per year." The income of £50 is to be exclusive of personal earnings in the main Bill (in two places), but inclusive in the declarations for claiming a pension. This is an incongruity which will no doubt be remedied, but is it not likely to open up the same serious questions as arose in Britain? Take the case of men working at a wage of less than £1 9s. a week. A pensioner would be at perfect liberty to undersell the labour of those men to the extent of 10s. a week, and still be as well off as they were, owing to the pension. As there must be a large number of men earning no more than £1 9s. a week, this bids fair to be a serious evil if the Bill becomes law in its present form. In the case of a private society making rules for the benefit of its own members it can well be understood that permission may be given to earn up to a certain figure without interfering with a right to a pension. In such a case the pension has been paid for, and there appears to be no pressing necessity for considering its effect on other workers, so long as the members of the particular society are benefited. But the principles are different for a State granting a pension of that kind, especially one for which no direct and specific contributions have been exacted. It ought to consider the effect on the whole population, and it would be very hard on taxpayers to be thrown out of work by the competition of pensioners. The problem is similar to that to which reference is frequently made in this city—the question of the competition of prison labour with outside workers, and that of Government servants and pensioners with outsiders in connection with positions to which emoluments attach.

Then, again, in the New Zealand scheme there is ample scope for ingenuity in getting the better of the State. For instance, there is nothing to prevent a man during his income-earning days spending a large portion of his income for an assurance payable at his death, the premiums to cease at age sixty-five. When he died, after enjoying a pension, his heirs might enter into the enjoyment of a large sum, quite out of proportion to what may have devolved on the heirs of a man in similar circumstances who never was a beneficiary under the pension scheme. There is also nothing to prevent a man from making over by gift the whole of his property to his wife or children, in order to come within the scope of the scheme. These points are specifically provided for in the Danish scheme, and, in my opinion, constitute a blot on the proposals of the New Zealand scheme.

THE METHOD OF COLLECTING CONTRIBUTIONS.

If a scheme requires contributions from the future recipients of pensions it is evident that a gigantic organization becomes necessary. The German scheme provides for yearly cards, to which stamps of certain value must be affixed for each of forty-seven weeks in the year. These must all be handed in to a central district organization, and form the basis of the after determination of a man's right to a pension, and the amount thereof. This system has, no doubt, some merits, but we need not be surprised to hear of it being referred to in Germany as "the stamp-sticking nuisance." Whole buildings are already stored with cards from top to bottom; and, as the scheme embraces over twelve million contributors, and a card for each year requires to be kept as a permanent record, its cumbersomeness can readily be conceived, and the future of the scheme itself may possibly be jeopardized from its unwieldiness in this particular.