

This supplementary pension is granted on economic grounds, and only those who are already receiving the disability pension are eligible for it. In considering an application for the economic pension the War Pensions Board is required by the Act to take into consideration the ability of the applicant to obtain and retain suitable employment, the personal earnings and other income of the applicant (if any), the property of the applicant, the cost of living, and such other factors of economic significance as the Board considers relevant. The Board has a certain amount of discretion in granting or refusing to grant the economic pension, or in fixing the amount of the pension within the maximum limit of £1 10s. per week fixed by the Act.

(i) *The Interaction of these Pension Provisions.*—This is shown in its most satisfactory form when examined in its application to a man who is 100 per cent. disabled and entitled to a full economic pension. Such a man, if single, would get, for instance, £2 per week disability pension and £1 10s. per week economic pension, a total of £3 10s. per week. Another such man, if a married man with a wife and one child, would receive a disability pension of £2, to which would be added in respect of his wife and child (as dependants) the sum of £1 and 10s. respectively, and this would be supplemented by the economic pension of £1 10s. per week, making a total of £5 per week.

It was generally considered by the witnesses, and we also are of opinion, that this provision is satisfactory, and is a reasonably liberal discharge of the State's obligation to these men in all ordinary cases.

The position, however, is not nearly so satisfactory, and many difficulties and complaints are brought to light, when the degree of physical or economic disability fluctuates or may be more or less temporary or intermittent. In such cases the War Pensions Board has from time to time, in the light of altered circumstances, to review in relation to the physical disability pensions the percentage or degree of disability, and in relation to the economic pension the various factors of economic significance. Two typical cases would be supplied by (a) a man whose economic factors are varied by the obtaining of temporary employment, and (b) a man whose physical-disability factors are varied by illness, a period of hospital treatment, and discharge from the hospital as a cured man.

The problems thus created and evidenced are intimate human problems, and into them there now enters consideration of scheduled factors according to the stereotyped provisions of an Act of Parliament. We invite Your Excellency's attention first to (a) the man who has obtained temporary employment after a period in which he has been receiving an economic pension of £1 10s. per week. He must, in accordance with the statutory requirements, when he next appears for his monthly instalment of pension, declare the fact that he is at work. Inquiries are made by the Pensions Department to verify his statements as to the extent of the work and the payment, and the usual result is that in future there will be deducted from his economic pension the amount he has thus earned. What might be called the arithmetic or the logic of this procedure is something that cannot be gainsaid. By working and earning money the pensioner has proved that his economic disability is not as great as it would appear to be, or that for a time it ceased to exist or operate; therefore the State, which undertook only to compensate for loss traceable to that economic disability, withdraws its grant in respect of the time when the disability ceased to operate. We are satisfied, however, that all the elements in this problem are not capable of statement in arithmetical or accountancy terms, for it is, as we have pointed out, a human problem working itself out in a man's domestic life. We are satisfied that, as deposed to by many of the witnesses, the procedure we have outlined tends to destroy initiative and incentive to work on the part of an appreciable number of the pensioners. The work obtained by the pensioner may have been purely temporary—in some actual cases we investigated it was work for a few days in respect of which good pay was received, say, £4 for four days' work. This is received in, say, May, and coming into a household which has been existing on a small income it is almost certain to be looked upon as something in the nature of a windfall; and, human nature being what it is, particularly if the pensioner has children, it may be spent on something outside the ordinary run of household expenditure, and therefore something outside the strictest