

SCHEME for COLONISATION by PENSIONERS. (Drawn up by a Subcommittee of the National Association for promoting State-directed Colonisation.)

BEFORE attempting to propose a scheme for colonisation by army pensioners we would point out that, if it could be arranged, the pensioner and the colony would both benefit by it. The pensioner: first, because, instead of finding himself a surplus hand in a labour-market already overcrowded, he would have an opportunity of utilising and improving his resources; health and steadiness, perseverance and work, alone being required to insure success: and, secondly, because, whereas in England he would find it most difficult to provide for and start his children in life, in the colonies they would be of great assistance to him, and able eventually to start themselves. The colony: because pensioners—men of from thirty-eight to forty-six years of age, medically examined and passed constitutionally fit—would be desirable men for it to assist, inasmuch as every hundred pensioners would represent, at £120 a head, £12,000 capital, and a further annual payment from the Home Government which, if capitalised, would represent about £16,000. Now, capital and eligible men are what all colonies require to develop their resources and increase their revenue.

PART I.—CAPITAL.

For Men about to be discharged (Army).

In considering the question of capital, the first point is, How much is absolutely necessary? As a basis on which to calculate this we have taken Mr. A. Simmons's "approximate cost of a family of five persons," as given in a "Table of Colonisation Schemes" submitted to the Parliamentary Committee (1887), and we have added to his calculation £10 for outfit. This gives a total of £160 for the more distant colonies (for details see estimate on p. 5 [below] for first year's expenses), which £160 the pensioner must be in a position to expend during the first year of colonisation.

To meet this outlay he has: (1) Any money he may have in the savings-bank. Many soldiers have considerable sums of money in the savings-bank, but we do not think it would do to reckon on this, and savings are not considered in these calculations. (2.) His deferred pay (after twenty-one years' service). A soldier discharged in 1888, after twenty-one years' service, will receive about £11 deferred pay, and each succeeding year this source of capital will increase by an additional £3, and interest thereon for nine years at $2\frac{1}{2}$ per cent. In 1891 deferred pay, with interest, will be about £22. In the following years this sum will be increased yearly by £3, and interest thereon at $2\frac{1}{2}$ per cent. for fifteen years till 1897, when a man's deferred pay, at the end of twenty-one years' service, will be worth about £46. It will continue at this till 1901, when men so discharged will have had no interest on their deferred pay, which will then be worth about £36. (3.) His pension. At present the only way a soldier discharged to pension, after twenty-one years' service, can use his pension to raise a sum of money is by obtaining a six months' advance; but this is quite inadequate for purposes of colonisation.

If, however, the Secretary of State for War would permit a pensioner to commute, that is, capitalise a portion of his pension on a fair basis, the necessary funds for colonisation would be forthcoming. We should strongly urge only allowing as much pension to be capitalised as would produce the necessary amount, because in cases of men failing as colonists they would then still have something left, and would be kept from actual starvation. Moreover, we should attach certain conditions to prove the *bonâ fide* intention to colonise, and to insure the best application of the funds.

Pensions differ under circumstances of service; but average pensions after twenty-one years may be taken as—Private, 1s. per diem; rank-and-file non-commissioned officer, 1s. 6d. per diem; sergeant, 2s. per diem.

By calculations founded on 300,000 pensioners' lives it is found that a pensioner's life is not so good for insurance purposes as average life—large numbers dying during the two or three years following discharge—but the lives of those medically examined and passed fit for colonisation would undoubtedly be of at least equal value to average life, and therefore it might be hoped that if Government allowed pensioners to commute a portion of their pension the tables would not be calculated on a basis of interest at 5 per cent. like that for officers, but on a basis like Government annuities.

A soldier enlists between seventeen and twenty-five, and completes twenty-one years' service between thirty-eight and forty-six. We have taken forty as an average age on discharge in following calculations: A penny a day = £1 10s. 5d. per annum, which, capitalised on Government annuity basis, gives about £26; 6d. a day capitalised gives £156. Capitalised on basis of 5 per cent. interest in accordance with Tables for Commutation of Officers' Pensions, 1d. a day gives capital value of about £20; 7d. a day gives £140.

From above data an approximate estimate can be compiled for first year of colonisation as follows, for a family of five persons, to most distant colonies:—

<i>Expenditure.</i>				<i>Capital.</i>			
		£				£	
Passage	..	45		Commuted pension, 6d. on annuity basis ..	..	156	
Implement, seeds, stock	..	25		[Ditto 7d. on 5-per-cent. basis, £140.]			
Buildings	..	30		Deferred pay	..	11	
Maintenance for first year	..	50		Uncommuted pension receivable during year ..	..	9	
Outfit	..	10					
To meet under-estimate or unforeseen expenses ..	..	16					
		£176				£176	

We have not taken credit for a colonial-assisted passage, but, as pensioners are small capitalists and nearly all the colonies at one time or another have given, and three colonies are now giving, assisted passages to this class, there is little doubt but they would be granted.

With a view to the practical working-out of the above, we would suggest that these and following proposals should be submitted to the Secretary of State for War, and that he should be requested to consider whether they, or some modification of them, cannot be carried out.