

TABLE II.—TABLE showing, on the BASIS of the CONTRIBUTION required for 5s. per WEEK, to commence at AGE SIXTY-FIVE, what PENSION would be secured by the same CONTRIBUTION if the PENSION do not commence till AGE SEVENTY or SEVENTY-FIVE. (Columns (a) and (b) of same signification as in preceding table.)

Present Age.	Yearly Contribution Basis.		Weekly Pension to commence at Age of					
			65.		70.		75.	
	(a)	(b.)	(a.)	(b.)	(a.)	(b.)	(a)	(b.)
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
20 ...	0 15 0	1 0 0	0 5 0	0 5 0	0 9 3	0 8 8	0 19 9	0 9 3
30 ...	1 4 11	1 13 1	0 5 0	0 5 0	0 9 5	0 8 8	1 0 4	0 10 1
40 ...	2 5 5	2 18 10	0 5 0	0 5 0	0 9 9	0 8 10	1 1 6	0 10 10
50 ...	4 18 9	6 2 0	0 5 0	0 5 0	0 10 7	0 9 5	1 4 6	0 11 9

OPTIONAL OR COMPULSORY.

One of the main features of any *contribution* scheme must be the question as to whether it be optional or compulsory. The German scheme is compulsory. That proposed by Mr. J. Chamberlain for Britain was optional.

The German scheme has been very adversely criticized in the German Imperial Diet. It is complained that the machinery is cumbersome and costly, and that it requires radical revision. The moderate critics advocate the voluntary principle instead of the compulsory, whereas the Government, while admitting that the scheme is not faultless, and contending that they are prepared to remove all real blemishes, will on no account allow the compulsory principle to be tampered with.

The strongest objections to Mr. J. Chamberlain's scheme are, in my opinion, based on its optional character, which would, after a considerable cost to the community, leave a large number outside its scope, and that composed of the very class which is most likely to require a provision of some kind in old age. It requires a person to have saved a lump-sum of £5 by the age of twenty-five, and then go on paying for forty years afterwards a sum of £1 per annum, the only inducement held out being a Government subsidy to increase the pension. No such scheme would be possible for the poorest classes of any community.

It seems clear that any scheme, if it lack compulsion, must only be partial in its effects. Some other organization would be required to meet the case of the outsiders, and these would probably be the wasteful and improvident, the vicious and uneducated, so that the main object of an old-age scheme would be lost, and the expense of the scheme would be all the more burdensome from the knowledge that it was incomplete, and subsidised many who, without its aid, would have provided for themselves in some other way, and at no expense to the State.

THE AMOUNT OF THE PENSION.

In the German scheme there are four classes, on the basis of wages :—

Class I.	...	...	...	...	£ s. d.	
Class II.	...	...	...	...	5 6 5	per annum of pension.
Class III.	...	...	...	...	6 14 7	"
Class IV.	...	...	...	...	8 2 10	"
					9 11 0	"

Experience has proved that the pension is very frequently insufficient, as has been evidenced by the Berlin poor-law administration, where 88 out of 449 holders of pensions were in receipt of poor-relief in addition to their pensions. This proportion is about one-fifth. It has been stated, however, that the Act never intended the pension to be sufficient for an independent livelihood, but simply as an augmentation of what could otherwise be obtained. In Mr. J. Chamberlain's scheme the pension aimed at was 5s. per week, while in the New Zealand Government scheme it is 10s. per week.

It must be admitted that the conditions of life in different countries should influence the amount of pension, but I venture to say that the amount aimed at by the New Zealand scheme is on a higher scale, taking all local conditions into account, than either of the previous schemes referred to.

Whatever the amount may be, the principles on which it should be fixed are somewhat these : That it should be a minimum living pension, so as not to call for a larger contribution or higher taxation than is absolutely necessary. That it should leave some incentive to exertion to augment the comforts of life. Experience has proved this to be desirable. For instance, a large benefit society in Britain which grants a pension of 4s. a week for invalidity allows the recipient to earn up to 12s. per week without interfering with his right to the full pension.

In the Danish system this question of amount appears to be settled in a very sensible manner. It is not fixed, but as the benefits are in the first place paid for out of the local rates—the half of which may, under certain circumstances, be reimbursed from a State fund—there is a tolerably strong inducement to keep the payment on an economical basis. The protection of the pensioner lies in the alternative which he possesses of claiming relief under the poor-relief provisions, so that a minimum is thus practically introduced. Happily, it has not hitherto been