

pensions. But while getting rid of the troublesome questions which arise in any scheme for collecting the contributions, and also in connection with the investment of the funds, it opens up various other questions, such as:—

- (1.) Whether the law would not be too great a tax on posterity?
- (2.) Whether the voting-power in a democratic community would not be too strong for the maintenance of only a bare living pension?
- (3.) The effect of such an inducement on the encouragement of the immigration at advanced ages of future beneficiaries.

As to (1), that is a serious matter, and would tend to make it desirable that the right to a pension should be very restricted in character. As to (2), there would be no grave objection to the suspension of the franchise in the case of all recipients of a pension. If the amount of the pension were to be the subject of an annual vote it might not always be an easy matter to resist pressure for an increase when brought to bear by the legislative representatives of the pensioners. As to (3), that must remain largely a matter of detail in legislation, and it should not be forgotten that this subject of old-age pensions has now been legislated for by so many countries that, unless a mistake be made in granting too large a pension, the inducements to immigrants will not bulk very largely.

On a review of this method, I am convinced that it is more feasible than the contribution plan.

The question of raising the necessary funds is largely a question for the Treasurer of the colony. But the probability is that the main sum necessary for the purpose could be provided most economically by a graduated scale of death duties on the estates (without exception) of deceased colonists. From an economic point of view this would probably be the best method of raising the necessary funds, and it would appear to be tolerably evident that such a method would, at any rate, obtain the ready approval of a majority of the voters. In Denmark the aid is paid for in the first place by Municipalities, which impose local rates, and the State gives a grant to those Municipalities according to the amount paid out—not to exceed one-half; but the amount to be granted is to be based on beer duties, which may or may not be sufficient to pay the full half. They were not sufficient for that purpose a few years back, so that the Municipalities would in that case bear more than half the local burden (a direct incentive to economy). Probably the allocation of this particular tax to aid a pension scheme was due to a consideration of the fact that the consumption of the beer was an important cause of the pauperism which required relief. In Germany about a third part of the charge is contributed by the State. In the New Zealand proposals the State provides the whole amount.

A PRACTICABLE SCHEME.

The statement of the various phases of pension schemes has, I am afraid, already wearied you, but I think it would be satisfactory to you if, before concluding, I state the result of my personal consideration of this question. It will of necessity be brief, and will proceed on these lines:—

(1.) That, as a first step, the State should take advantage of every opportunity to promote and encourage thrift in the community.

(2.) That, in so far as the preceding action is inadequate, the aged poor be dealt with in two classes:—

(a.) The Deserving Poor: These would require to have lived a stated time, say fifteen or twenty years, in the colony, and have a good record in every way; amongst others, that he or she has not been sentenced for dishonourable conduct by the law-courts of the colony, nor poor through extravagant living, nor by depriving himself or herself for the benefit of others, nor guilty of begging or vagrancy. That for these there should be provided some form of outdoor relief of the nature of a pension, such to be borne by taxation levied for that purpose either by local authority or by the State. That no stigma be cast on the recipients, although there might be some provision sufficient to distinguish the man who has been able to provide for his old age from the pensioner. This would be desirable, so as to bring the support of parents by children able to do so more under the compulsion or suasion of public opinion. Probably the withdrawal of the franchise from pensioners would fit the case.

(b.) The Undeserving Poor: These, when separated from the deserving poor, can be more adequately dealt with. Their very separation would have a salutary effect on the social strata from which their ranks would be chiefly recruited. There would be no sentiment wasted on them, and the constitution of the poor-house or indoor system in its most rigorous forms is clearly pointed out. It is reported that all sections of the Danish population are satisfied with the working of their laws on this basis except the section about whose opinions no one cares much. Danish loafers are said to be dead against it, as they do not relish being separated from the company of their more deserving brethren. The effect of an indoor system being worked alongside the outdoor system would enable a wholesome discipline to be exercised over the latter, and the appropriate punishment for misbehaviour would obviously be the transfer of the recipient to the indoor department.

1.—ENCOURAGEMENT OF THRIFT.

Legislation and practical effort towards this end are capable of exerting a considerable influence. It would, however, be unwise to interfere in any unnecessary degree with the business of any of the societies or institutions which exist for that purpose—such as life assurance institutions and friendly societies.

Most of us are so familiar with the figures relating to life assurance business, its extent, &c., that I will not burden this paper with the figures. I may say, however, that these institutions are eminently sound, and are conducted on lines of caution and on the basis of carefully-tabulated experience. The friendly societies we are not so familiar with, and I think it may interest you to have a short statement of their position. The data is taken from the latest reports of the Government Statist in connection with friendly societies.