

1899.

NEW ZEALAND.

OLD-AGE PENSIONS.

(REPORT OF COMMITTEE, IMPERIAL PARLIAMENT, DATED THE 7TH JUNE, 1899.)

*(From the Politician's Handbook.)**Presented to both Houses of the General Assembly by Leave.*

THE reference under which this Committee acted was in the following terms: "To consider any schemes that may be submitted to them for encouraging the industrial population, by State aid or otherwise, to make provision for old age; and to report whether they can recommend the adoption of any proposals of the kind, either based upon, or independent of, such schemes; with special regard, in the case of any proposals of which they may approve, to their cost and probable financial results to the Exchequer and to local rates; their effect in promoting habits of thrift and self-reliance; their influence on the prosperity of the friendly societies; and the possibility of securing the co-operation of these institutions in their practical working." The members were Lord Rothschild (Chairman), Sir Francis Mowatt, Sir Courtenay Boyle, Sir Spencer Walpole, Mr. H. J. Finlaison, Mr. E. W. Brabrook, Mr. George King, Mr. H. W. Watson, and Mr. Alfred Chapman. The Committee report that they had made use of the evidence taken by Lord Aberdare's Commission on the Aged Poor, and that consideration of this had enabled them to restrict to certain special issues the evidence they themselves had taken. They quote the conclusion of the Royal Commission with regard to pension schemes, in which the Commissioners regretted that, in view of the financial and economic difficulties involved, they had been unable to recommend the adoption of any of the schemes as yet suggested, whether for endowment or for assisted assurance. But a minority of the Commission reported separately that the subject of old-age pensions has been "inadequately considered." The Committee had to consider more than a hundred schemes, which they classified in the following groups: "1. Schemes involving compulsory contribution towards a pension fund, either by way of the German method of deduction by employers from wages paid by them, assisted by a contribution levied from the employers, or by way of an annual or a lump payment made by all young persons before a certain age, and accumulated at compound interest until the pension age. 2. Schemes providing a universal grant of pensions to all persons upon attaining a certain age, without requiring from them any direct contribution, or examining their merits or their needs. Various modifications were suggested, chiefly with the object of fixing the income above which there should be no grant. 3. Schemes providing special facilities and encouragement to voluntary insurance against old age, with material assistance from the State. 4. Schemes providing State aid towards old-age pensions for members of friendly societies only. Some of these proposed that members of friendly societies, as such, should, on arriving at a certain age, receive pensions from the public funds. Others proposed that pensioners should receive part of their pension from their society, and the rest from public funds." They concluded that their terms of reference precluded them from considering any scheme based on compulsion, or confined to members of friendly or other societies as distinguished from the industrial classes generally, or requiring no provision by the pensioners. Schemes falling under Groups 1 and 2 were, therefore, excluded; the 3rd Group, aiming at the encouragement by State aid of voluntary assurance against old age, were within the scope of the reference; but, for various reasons, some special inquiry was made into some of the schemes of the 4th Group. *The Parliamentary Committee Scheme.*—This scheme is threefold. The first method provides for assurance for an annuity of 5s. a week from the age of sixty-five, in return for a payment of £2 10s. at or before the age of twenty-five, and a yearly payment of 10s. up to the age of sixty-five, the State contribution being the credit of £10 in the depositor's pass-book at the same date as the deposit of £2 10s., and interest at 2½ per cent. By the second method the deposits by the assurer would be doubled, the State aid raised to £15, and, in addition to a 5s. weekly pension, other benefits (chiefly provision for widows and children in the event of death before sixty-five). The third method, framed to secure the co-