The following table shows the percentage of European pensioners in each year since 1901 to the total population which has been qualified by age and residence:—

	Population qualified by Age and Residence.	Number of European Pensioners.	Percentage.
31st March, 1901	26,563 (actual)	11,307	42
„ 1902	28,330 (estimated)	11,721	41
„ 1903	30,044 „	11,589	38
„ 1904	31,872 „	11,197	35

Further tables are appended showing the distribution of the pensioners in the various districts throughout the colony, the number in each Island, the sexes and conjugal condition of all pensioners, and the ages and occupations of the European pensioners.

The instalments for the year unpaid on the 31st March amounted to £2,298 0s. 7d. Of this amount £2,081 15s. 7d. represents instalments which are absolutely forfeited, the balance of £216 5s. being instalments the payment of which is in abeyance.

The annual number of deaths maintains a high percentage, the total for the year being 928, or 7 per cent. of the pensioners who wère alive at the commencement of the year. The deaths among Maoris numbered sixty-eight, the percentage being the same as in the case of Europeans. A table is appended showing the ages at date of death of the European portion.

During the year twenty-four pensioners were committed to asylums.

Of the many things yet to be done in the way of placing the working of the old-age pensions scheme on a thoroughly satisfactory basis, one of the most important is that of arranging for a system whereby all applications for renewal in country districts, where the number of pensioners is not too heavy, will be heard and determined by the presiding Magistrate at a stated time in each year. This will be undertaken at an early date, and the result will be that instead of a number of sittings of the Old-age Pensions Court in such districts being held throughout the year, Magistrates will be asked to dispose of the whole year's renewals at one sitting. Matters will be so arranged that this sitting will be coincident with the expiry of the various pension-certificates issued in the district, and it will be a convenience to a large body of pensioners to have their pensions continuous. As it is at present, a Court may not sit for six months in some of the scattered districts—three-monthly Courts are common—and the unfortunate pensioner whose pension expires just after one Court, and who may be eligible for another year, has to wait until the next Court day before payment of his pension is authorised.

A great saving of labour will result all round by the introduction of such a system, and the travelling-expenses of Magistrates, Deputy Registrars, and police constables will be reduced to a minimum. Head Office will benefit considerably, in that the work will be equally spread over the year, the position at present being that there is a great rush in the early part of the year wherein occurs the anniversary of the granting of 75 per cent. of the pensions on the rolls.

This system could not be made to apply in the large centres of population, as the number of pensioners is too large, and the time of the Courts could not be taken up by protracted sittings.

It is also proposed during the ensuing year to go into the question of the rearrangement of the boundaries of a number of Old-age Pensions Districts, whereby Clerks of Courts who are now responsible to other clerks in the same district will be responsible to Head Office. Better results will, I think, be obtained when I am enabled to have direct communication with such officers who, besides having the local knowledge, actually superintend the granting of a large number of pensions.

If an old-age pension scheme is to be successfully carried out sentiment must not be allowed to play any part in it. The Legislature has made law a humane scheme whereby all deserving colonists in New Zealand possessing the necessary qualifications shall be entitled as a right to a pension during their declining years. These should and do receive every consideration, assistance, and kindness when they make application for a pension and afterwards, but they must be protected from the underserving who, by means of misrepresentation and fraud, whether it be by their own action or at the instigation of others (and I think the latter is more responsible than the former), procure or attempt to procure a pension to which by law they are not entitled. It is this latter class that has been dealt with in a manner that may appear harsh, but it should be remembered that such action was absolutely necessary to act as a warning to others who might contemplate doing the same thing, and to protect our deserving aged as well as the public purse.

J. Eman Smith, Registrar.