PENSIONS.

61. We consider that a change should be made in the method of providing each year for the amount required for pensions. In Great Britain the amount required for payment of pensions is voted annually by the Legislature, and we think that the system in New Zealand should be similar. This would ensure that the growing burden of pensions expenditure is subjected to parliamentary review each year.

62. We have definitely arrived at the conclusion that the Dominion can no longer afford over £3,000,000 per annum for pensions.

63. The growth of the expenditure on all classes of pensions since the 31st March, 1915, is set out in the following table. The huge increase in 1920–21 figures is due largely to war pensions, although other classes of pensions have also shown notable increases.

Pensions.	1914–15.	1920–21.	1926–27.	1928–29.	1930–31.	1931–32.
	£	£	£	£	£	£
Old-age	460,396	729,924	979,296	1,059,039	1,158,788	1,250,000
Widows'	31,610	187,100	301,080	312,963	325,998	340,000
Miners'	..	24,459	41,947	48,102	58,441	65,000
Military	47,607	40,198	19,445	13,673	9,101	7,350
For the blind	..	..	10,305	13,338	15,796	17,500
Family allowances ..	..	..	..	54,815	63,608	76,000
War pensions	..	1,885,663	1,122,741	1,178,646	1,245,499	1,285,000
Civil Service Act, 1908 ..	29,653	27,503	16,724	12,192	9,250	7,500
Other pensions ..	5,703	4,794	7,369	7,904	8,556	7,561
Vote pensions	9,880	139,592	173,204	165,912	173,176	164,349
Totals	584,849	3,039,233	2,672,111	2,866,584	3,068,213	3,220,260

64. The cost-of-living statistics show that over the last two or three years there has been a marked fall in the cost of living, and on this ground alone some reduction in the rate of all classes of pensions is justified. We have considered various ways in which the incidence of pensions might be altered, and the following recommendations provide for a fair and reasonable general reduction in all classes of pensions. The reductions recommended are not uniform, but, in our opinion, are such as will result in the least possible hardship.

65. The alterations recommended should effect a saving of £599,925, and this will reduce the total expenditure on pensions for 1932–33 to approximately £2,700,000. From the evidence submitted it is clear that pension claims must increase, and that it will probably not be long before the total expenditure will again reach the huge sum of £3,000,000.

66. Our recommendations in respect of each class of pension are set out hereunder in the order in which they appear in the Permanent Appropriations.

Family Allowances Act, 1926, Section 18.

Allowances towards Maintenance of Children, £76,000.

67. We recommend that family allowances be terminated, as this is a form of pension that, in our opinion, cannot be justified. The amount provided for this purpose for 1931–32 is £76,000, but, if continued, the amount required for 1932–33 is estimated at £121,000.

68. The discontinuance of the allowances should not, in our opinion, impose an extreme hardship on the recipients. The general taxpayer is contributing large sums annually for the purpose of rendering assistance through charitable institutions and through the Unemployment Board to persons with large families who are affected by present economic conditions.

Estimated saving £121,000.

Pensions Act, 1926.

Miners' Pensions, £62,493.

69. We recommend that the rates be reduced as follow:—

(1) For an unmarried miner, from 25s. to 22s. 6d. per week.
(2) For a married miner, from 35s. to 32s. 6d. per week.
(3) Child, from 10s. to 7s. 6d. per week.
(4) Widow, from 17s. 6d. to 15s. per week.

We recommend that the maximum pension for married miners be not more than £3 per week.

70. In regard to miners' widows' pensions, we recommend the introduction of property and income qualifications similar to those in the case of other widows' pensions.

Estimated saving, £6,200.

71. At the present time there is a large number of miners' widows, ranging in age from twenty-five to seventy-seven, receiving a pension of 17s. 6d. per week. We can see little reason why miners' widows, so far as pensions are concerned, should be placed on a different plane to other widows, and recommend that on the death of a miner-pensioner the pension to his widow should cease at the end of two years from the date of her husband's death, and that she should thereafter be on the same basis for pensions purposes as other widows. We recommend that the law be amended in this direction and that those miners' widows who have up to the present drawn pensions for two years or more be given six months' notice of the cancellation of the pension. When the law relating to