outside income exceeds the sum of \$20 a month her pension will be reduced. Should she have an unmarried son or sons living with her who, in the opinion of the Pension Board, are capable of aiding in her maintenance, she shall be deemed to be in receipt of support to the extent of \$10 a month from each son.

The effect of these changes in the law, added to the proposed bonus, will be materially to increase the liability under this head. Not only will many mothers whose pensions have heretofore been reduced receive their full pensions without deduction but there will be added to the pension list a number whose incomes from outside sources have hitherto barred them as pensioners. It is a difficult matter to estimate accurately what the total increase in liability will be by reason of the above changes but it is believed it will be amply covered by a yearly payment of \$2,400,000.

2. It is further proposed definitely to increase pensions in respect of wives and children in accordance with the following tables:—

(a) Pensions in respect of wives and children of total disability pensioners (all ranks):

	Present rate. (Yearly)	Proposed rate. (Yearly)
Wife	\$180 00	\$300 00
First child	144 00	180 00
Second child	120 00	144 00
Subsequent children		120 00

Pensions in respect of wives and children of pensioners with less than total disability to be increased proportionately.

Estimated increased liability, \$1,000,000 per annum.

The totally disabled man having a wife and three children (of pensionable age) as a result of the changes suggested above would have his yearly income increased from \$1,260 to \$1,644, made up as follows:—

	Present Rate.		Proposed Rate.	
	Monthly.	Yearly.	Monthly.	. Yearly.
Totally disabled man	\$60	\$720	\$75	\$900
Wife	15	180	25	300
First child	12	144	15	180
Second child	10	120	12	144
Third child	8	96	10	120
Total	\$105	\$1,260	\$137	\$1,644

Should the disabled man be, as well, in a helpless condition he would be entitled to receive, in addition to the above amount, a further allowance for helplessness of not less than \$250, and not exceeding \$750 per annum.

(b) Pensions in respect of children of widows (all ranks):

Present Rate (Yearly).	Proposed Rate (Yearly).
First child	\$180
Second child	144
Subsequent children 96	120

Estimated increased liability, \$220,000 per annum.

(c) Pensions in respect of orphan children (all ranks):

	Present Rate (Yearly).	Proposed Rate (Yearly).
First orphan child	\$360	\$360
Second orphan child		288
Subsequent orphan children	192	240
Estimated increased liability, \$17,000 per	annum.	