

by increasing taxation, and, indeed, this was proposed with the bill of 1886, but was omitted from the bills subsequently introduced. But in New Zealand our finances are in a remarkable position. For some years past there has been a surplus of revenue over expenditure; indeed, so large has the surplus been, that during the last five years over £1,000,000 has been transferred to the Public Works Fund, out of which roads, bridges, and railways have been constructed. Without entering into such controversial points as how much the annual surplus has been, it is generally admitted that there is every probability that in the future it will be more than sufficient to provide the amount required to pay the pensions given by the Act. In other words, our ordinary revenue will be sufficient to provide for the payment of the old age pension charge without additional taxation. The financial proposals of the Act are therefore of the simplest kind, and are contained in one clause—

“(58) The Colonial Treasurer shall from time to time, without further appropriation than this Act, pay out of the Consolidated Fund into the Post Office Account, by way of imprest, whatever moneys are necessary in order to enable the instalments specified in such schedules to be paid out of such account, and the Postmaster-General shall thereupon pay such instalments accordingly :

“Provided that this section shall continue in operation until the fourteenth day after the close of the second session of the now next succeeding Parliament, but no longer.”

The proviso is important, since it ensures that the whole question must come before Parliament again within three years' time.

There are always two sides to every question, and the Opposition party held the view strongly that the pension fund should be derived partly from individual contributions (as in Germany). The strong argument in favour of this was that such a scheme would be a direct incentive to thrift (a virtue which is not

encouraged by the Act). On the other hand it was argued that few would avail themselves of the advantages of a pension scheme which was merely voluntary, and an Act insisting on direct compulsory contributions would be impracticable. Many held that the proceeds of some special tax should be set apart to provide a pension fund, but as no one wished to add to our already heavy burden of taxation, the majority considered the simplest plan would be to make the pensions a charge on the general revenue, or Consolidated Fund.

THE MACHINERY OF THE ACT.

Having dealt with the main principles of the Act, a few notes may be added as to the details. Registrars and deputy-registrars are to be appointed to administer the Act. Their powers and duties, however, are not stated in the Act, but are to be such as the Governor from time to time determines. Every claimant to a pension must prove his claim before a magistrate in open court. He then will obtain a pension certificate, available for one year. At the end of the year he has to submit a statement of his income and of his property, and thus prove his right to a renewal of his certificate. Pensions are payable monthly at post-offices (with a few exceptions) on the personal application of the pensioner. In cases where pensioners are in receipt of charitable aid, the cost of their maintenance is to be paid out of their pension. As might be expected, there are extensive precautions taken to provide against fraud. Pensions are to be absolutely inalienable, “whether by assignment, charge, execution, bankruptcy, or otherwise, howsoever.” The people of New Zealand have a considerable aversion to creating vested interests, and in order to provide against this it is declared that—

“Every pension granted under this Act shall be deemed to be granted and shall be held subject to the provisions of any amending or repealing Act that may hereinafter be passed, and no pensioner under this Act shall have any claim for compensation or otherwise by