

DOUBLE PENSIONS.

85. No fewer than 2,698 persons are at present receiving double pensions and allowances, and ten persons are receiving triple pensions.

86. Of those receiving double pensions, 1,704 receive both old-age and war pensions. We can understand the principle underlying this. We cannot understand, however, why people should receive both war pensions and family allowances, or both old-age and miners' pensions, or widows' and war pensions, or widows' and epidemic pensions.

87. We recommend that the law be amended to provide that only one pension (the larger) be payable, except in the case of old-age and war pensions. We exempt the latter class for the reason that an old-age pensioner may be in receipt of a war pension of from 10s. to 15s. a week as a dependant of a son killed at the war, whereas if the son were still living he could contribute a limited amount to his parents' support without affecting the amount of the old-age pension.

Estimated saving, £30,000.

EPIDEMIC PENSIONS.

88. While considering the general question of pensions under the permanent charges, we have also given consideration to the Pensions Vote on the Consolidated Fund, and we wish at this stage to draw attention to the item on the vote in respect of epidemic pensions, the cost of which is £5,500 per annum. These pensions are payable to widows with children where the breadwinner of the family lost his life in the influenza epidemic of 1918, and are in addition to whatever pensions may be payable under the widows' pensions legislation. Special pensions schemes, such as this, are not justified in view of the liberal provisions existing in the Pensions Act, and we recommend that this pension be abolished.

Estimated saving, £5,500.

REVISION OF PERMANENT WAR PENSIONS.

89. The War Pensions Board has at present the power to review permanent pensions of disabled soldiers, but no general review of all permanent pensions is carried out. We consider that all permanent pensions should be reviewed annually. There are cases, such as the loss of an eye or a limb, where no detailed review is necessary, but there are others, such as where pensioners were suffering from some partial disability which has, over a period of years, disappeared. In such cases there can be no justification for the continuance of the permanent pension. We accordingly suggest that the Pensions Board should review all permanent pensions each year.

GENERAL.

90. Before concluding our remarks on this subject, we would refer again to the ever-growing burden of pensions on the community generally. In recent months the number of applications (particularly for old-age pensions) has increased enormously, due no doubt, to present economic conditions. We are, however, particularly impressed by the fact that only approximately 30 per cent. of those eligible by reason of age to receive old-age pensions are on the books of the Department, so that there is a very large potential liability on the State under this heading.

91. We are led to the conclusion that, if the present system of free pensions is continued, the increasing load on the taxpayer will become unbearable, and that some alternative method that would be self-supporting should be considered.

92. In framing our recommendations for readjustments in the incidence of pensions we have endeavoured to secure equity as between the different classes of pensioners. Our recommendations differ as between the various classes, and it may be thought that some have suffered unduly. We are satisfied that this is not so, and that we have maintained a fair relative standard as between the different classes.

93. In our opening remarks on this subject we may have given the impression that our recommendations are based wholly on the present position of the national finances; but, while this is one of the reasons for our recommendations, it is not the only one. We consider that a general readjustment of money incomes is necessary in order to ensure that the burden of sacrifice is shared by all. Our recommendations in regard to pensions we look upon not merely as a sacrifice by the pensioners to assist towards Budget equilibrium, but also as incidental to a general plan of readjustment over the whole community.

MOTOR TAXATION.

Payment to Main Highways Revenue Fund and Disbursements under Motor Spirits Taxation Act, 1927, £1,760,000.

94. We are of the opinion that the revenue at present credited to the Main Highways Fund should not be paid into a special account, but should form part of the Consolidated Fund. In this connection it is interesting to note that the Road Fund in Great Britain is in practically a similar position to the Highways Funds in this Dominion, and the report of a Committee recently set up by the British Parliament to report on national expenditure stated in connection with the Road Fund as follows:—

“As it is now being administered, this fund has become a liability on the national finances, and in our view drastic action is necessary to remedy the position. First among the steps we recommend is the abolition of the fund and placing expenditure on road grants on the annual votes of Parliament.”

We strongly recommend that the Main Highways Revenue Fund and the Capital Fund be abolished, and that the revenue from motor and allied taxation be credited direct to the Consolidated Fund. This would mean that the expenditure on maintenance and capital would be subject to annual review and appropriation by Parliament.