

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

OLD-AGE PENSIONS IN NEW ZEALAND  
1898 - 1939

A thesis presented in partial  
fulfillment of the requirement  
for the degree of Master of Arts  
in History at Massey University.

GAYNOR WHYTE

January 1993

In memory of  
Brian

## ABSTRACT

The Old-age Pensions Act of 1898 is a major feature in New Zealand welfare historiography, and is seen by many, both at the popular level and by historians, as the foundation of the Welfare State in New Zealand. The aim of this thesis is to give some sense of what the old-age pension system proved to be. This involved looking beyond the legislation into the area of administration. The main conclusions are that the scheme was marginal to the majority, changed little across its first forty years in terms of pension numbers or value, deteriorated over time for Maori, and that many punitive spirits dominated and continued to affect how it was administered. In addition, the role of administration in determining policy outcome is explored, and the evidence suggests strongly that considerable power lay with administrators rather than legislators. These findings not only raise questions about the accolades surrounding the 1898 Act in New Zealand welfare historiography, but leave the sense that harder questions about impact and outcomes should now be asked of the post 1938 era.



## ACKNOWLEDGEMENTS

I am indebted to many people who have provided much appreciated assistance. Foremost among them is my supervisor Dr David Thomson who has given me many hours of his time, asked tough questions, provided detailed and searching comments and criticism, and volumes of encouragement. Dr Margaret Tennant initially suggested this study and fostered my interest in welfare history.

The Historical Branch of Internal Affairs with the New Zealand Lotteries Commission, the Manawatu Branch of the Federation of University Women and Massey University's Scholarship Committee all granted much needed funding.

Archivists and librarians at many institutions have provided invaluable aid. In particular the staff at National Archives in Wellington and Auckland, the Hocken Library in Dunedin, and Massey University Library.

The Massey University Television Production Centre and Sarah Kenwood of The Tribune furnished the means for me to try and locate ex-officials. Marion Knight, Ron Gillies and others who gave me their time also deserve thanks.

Members of my family have given me practical assistance, as have many friends. Bronwyn Labrum, Ashley Gould and Lucy Marsden have all been sources of support in what is often a very isolated process, and as always Alistair Whyte has been unwavering in his loving support and encouragement.

## TABLE OF CONTENTS

List of Graphs	ii
List of Tables	iii
List of Illustrations	iv
Abbreviations	v
INTRODUCTION	1
CHAPTER ONE: 1898-1901 - THE EARLY YEARS	18
CHAPTER TWO: 1902-1908 - NO ROOM FOR SENTIMENT	59
CHAPTER THREE: 1909-1912 - INTERREGNUM	120
CHAPTER FOUR: 1913-1929 - AN AURA OF EXPANSION ?	139
CHAPTER FIVE: 1930-1939 - PRELUDE TO SOCIAL SECURITY	192
CONCLUSION	233
BIBLIOGRAPHY	236

## LIST OF GRAPHS

1.1	Weekly wage rates and pension rates, 1899-1911	29
2.1	Old-age Pensioners as percentage of total population (European and Maori) eligible by age, 1901-1911	108
2.2	Maori old-age pensioners as a percentage of estimated Maori eligible by age, 1901-1911	109
2.3	Real value of the pension, 1899-1913	111
2.4	Population eligible for pension by age and GDP, 1901-1911	113
4.1	Old-age pensioners as percentage of total population (European and Maori) eligible by for pension by age, 1901-1926	145
4.2	New Claims Lodged, 1906-1936	146
4.3	Income limits, 1900-1936	152
4.4	Income limits and wages, 1900-1937	154
4.5	Pensions and inflation, 1900-1938	164
4.6	Pensions and wages, 1900-1938	165
4.7	Population eligible by age and GDP, 1900-1926	169
5.1	Estimated non-Maori population receiving old-age pension, 1920-1938	199
5.2	Pensions and wages, 1929-1935	205
5.3	Income limits, 1925-1935	210
5.4	Real value of the pension, 1930-1949	222
5.5	Population eligible for pension by age and GDP, 1926-1951	226

## LIST OF TABLES

2.1	Net changes to old-age pension roll, 1900-1905	72
4.1	Changes to maximum rate of old-age pension, 1898-1939	163
5.1	Growth of the elderly population, 1916-1936	200
5.2	Median Incomes, 1926-1951	224

## LIST OF ILLUSTRATIONS

"Presenting his certificate"	33
Maori pensioners leaving Post Office after collecting the pension	43
James Eman Smith	62
Victor Grace Day	131

## ABBREVIATIONS

<u>AJHR</u>	<u>Appendices to the Journals of the House of Representatives</u>
Census	<u>Census Report of New Zealand</u>
CPI	Consumer Price Index
DU:HO	Hocken Library, Dunedin
IT	Island Territories
NA	National Archives, Wellington
NEB	National Efficiency Board
<u>NZJH</u>	<u>New Zealand Journal of History</u>
<u>NZH</u>	<u>New Zealand Herald</u>
<u>NZOYB</u>	<u>New Zealand Official Yearbook</u>
<u>NZPD</u>	<u>New Zealand Parliamentary Debates</u>
OAP	Old-age Pensions
<u>ODT</u>	<u>Otago Daily Times</u>
SS	Social Security
WTU	Alexander Turnbull Library, Wellington

## INTRODUCTION

The question of providing pensions for the deserving aged is a subject which has puzzled the leading minds of the age. It is a problem that has engaged the attention of thinking men of the day, and of days gone by, and in the Mother-country it has been practically admitted that they are unable to deal with it in a satisfactory manner. It is for us in New Zealand - as we have been the van in other respects - ... to approach the subject with a determination to solve it if possible and to place upon the statute book of our colony such a law as will for all time prevent what has occurred in other countries...<sup>1</sup>

Premier Richard Seddon voiced these justifications for provision to the aged in his third and final Old-age Pensions Bill in September 1898. Like so many of his day, Seddon believed the move would be popular and remove the threat of poverty from old colonists. Simultaneously, it would put New Zealand in the vanguard, leading the world on a path to social justice and betterment. Yet despite the hearty accolades that have

-----  
1     NZPD, 103(1898), p.535.

surrounded the 1898 Old-age Pensions Act, and the central part it plays in all accounts of modern New Zealand, little has been done to determine its evolution or impact after 1898. This thesis studies the nature of the old-age pension system in New Zealand, focusing upon how it worked and was administered from its passage until the introduction of the 1938 Social Security Act.

Much has been written about welfare development and the rise of the Welfare State in New Zealand, and the overwhelming feature is agreement. Themes of progress predominate. Step-by-step advancement is characterised as a basic government response to need in the community. The key to progress was humanitarianism, and the aim social justice, with the 1898 Old-age Pensions Act marking an important first step and Social Security in 1938 a major leap forward. This view is not peculiar to New Zealand. Richard Titmuss, the renowned British writer on social policy, suggested that such commentary has become characteristic of welfare history, especially the common vision of advancement along "a broad, ascending road of social betterment".<sup>2</sup>

-----

2 R. Titmuss, Essays on "The Welfare State", (London, 1963), p.34.



These themes can be traced throughout histories of New Zealand. In State Experiments in Australia and New Zealand, (1902) William Pember Reeves identified humanitarianism as the major motive behind old-age pension provision.<sup>3</sup> R. Mendelsohn, in a study of welfare measures in the British Commonwealth in 1954, described the New Zealand old-age pensions scheme as the "first landmark" in the progress to social security.<sup>4</sup> J. B. Condliffe, in The Welfare State in New Zealand, (1959) emphasised the humanitarian aspects of our welfare history, and in a later work stressed the progressiveness which placed New Zealand at the forefront of the Australasian legislative experiment.<sup>5</sup> Sir Keith Sinclair took a similar view and characterized the New Zealand Liberals as taking the "first step on a political road along which millions have since walked towards the Welfare State".<sup>6</sup> In 1972 the Royal Commission of Inquiry into Social Security reported that the 1898 Old-age Pensions Act was the "tentative beginning of social security as we know

-----

- 3 W. P. Reeves, State Experiments in Australia and New Zealand, Vol.2, ([1902], Melbourne, Second Edition, 1969), p.250.
- 4 R. Mendelsohn, Social Security in the British Commonwealth, (London, 1954), p.12.
- 5 J. B. Condliffe, The Welfare State in New Zealand, (London, 1959), p.279 and New Zealand in the Making, (London, 1963), p.180.
- 6 K. Sinclair, A History of New Zealand, (London, 1980), p.188.

it today".<sup>7</sup>

This emphasis continued into the 1980s when Brian Easton, for example, outlined the belief that the Old-age Pensions Act led to the modern social security system in New Zealand and as recently as 1990, Erik Olssen described New Zealand's role as "imperial prophet" in terms of humanitarian social reform.<sup>8</sup> These themes became further entrenched when others abroad hailed New Zealand as world leader in social experiments.<sup>9</sup>

-----

- 7 Report of the Royal Commission on Social Security, (Wellington 1972), p.43.
- 8 B. Easton, Social Policy and the Welfare State in New Zealand, (Sydney, 1980), p.61. E. Olssen, "Towards the Ideal Society 1890-1900" in J. Binney et al, The People and the Land - Te Tangata me Te Whenua. An Illustrated History of New Zealand 1820-1920, (Wellington, 1990), p.243.
- 9 See for example C. R. Atlee's "Introduction" to J. A. Lee's Socialism in New Zealand, (London, 1938), p.v. Atlee described New Zealand as a "laboratory of social experiment". Other motives behind the old-age pension legislation have also been discussed in studies on New Zealand. For concerns about poverty see D. Hamer, The New Zealand Liberals - the Years of Power 1891-1912, (Auckland, 1988), p.146; J. E. Le Rossignol and W. D. Stewart, State Socialism in New Zealand, (London, undated), p.179; and H. D. Lloyd, Newest England, (New York, 1900), p.9. On concerns about the ageing population see M. Tennant, "Early Indigents and Old Men's Homes, 1880-1920", NZJH, 17:1(1983), p.4. For electoral promise see W. P. Morrell, New Zealand, (London, 1935), p.80, and W. H. Oliver, "Social Policy in New Zealand: An Historical Overview" in New Zealand Today: Report of Royal Commission on Social Policy, I, AJHR, 1988, H-2, p.17.

Yet while the celebratory mood has dominated welfare studies, there have nevertheless been dissenters, both overseas and in New Zealand. In Britain and America a more critical historiography emerged in the late 1960s and early 1970s. The standard emphasis upon progress, humanity and the inevitable movement toward the welfare state came under scrutiny as concern rose at mounting welfare costs and inequalities in the system. Theories of social control became popular, and social policy was seen by many as less the consequence of compassionate humanitarianism, and more a sinister response by powerful minorities to threats to social order. Control of society and endorsement of the work ethic were identified as the aims.<sup>10</sup>

However, this more recent "conspiracy theory of welfare" may be overstated. Most importantly, ideas of social control assume that "the state" is a monolithic entity, able to coerce and impose values. This interpretation leaves little room for the possibility that beneficiaries may be active in influencing the system. It also implies a comprehensive plan or agenda by governments, thus exaggerating both the rationality of policy

-----

10 For example, F. F. Piven and R. A. Cloward, Regulating the Poor, (London, 1972), pp.3-41.

makers and underplaying the complexity of political realities. Furthermore, many groups in society have benefited from welfare initiatives, even when they are not a threat to social stability. The sick and disabled are obvious examples.<sup>11</sup>

Prior to the 1970s such critical approaches to welfare were scarce in New Zealand. W. B. Sutch is perhaps the notable exception. In two of his major works, Poverty and Progress in New Zealand, (1941) and The Quest for Security in New Zealand, (1966) he was less laudatory of New Zealand welfare developments than were his predecessors, and suggested that state welfare initiatives had not been sufficiently far-reaching. Sutch's criticism, however, was still underpinned by a positive assumption that the welfare state is inherently good, and that more state welfare provision is better than less. This assumption also characterizes subsequent critical commentaries.

More specific New Zealand analysis of welfare initiatives, in which this less celebratory tone was adopted, started to emerge in the late 1970s. Elizabeth Hanson, although

-----

11 J. Higgins, The Poverty Business: Britain and America, (Oxford, 1978), Chapter 2; and (ed) S. Cohen and A. Scull, Social Control and the State, (New York, 1983).

traditional in her legislative focus, provided the most comprehensive assessment of the 1938 Social Security Act, and played down the theme of colonial progressivism.<sup>12</sup>

Francis Castles, in The Working Class and Welfare, undertook a theoretical analysis of welfare state development in relation to class politics. Celebratory themes were challenged, with New Zealand and Australia being characterized as welfare "laggards".<sup>13</sup>

The most significant recent reassessment in New Zealand has come from W. H. Oliver, who is very aware of some less desirable features in our welfare provision. In the late 1970s, Oliver suggested that laudatory themes of social justice provided neither sufficient analysis nor explanation of welfare state development. He speculated that themes of discipline, paternalism and social efficiency might instead prove enlightening.<sup>14</sup> The notion that benevolent and humanitarian motives may be tainted by less flattering qualities could no longer be ignored in New Zealand welfare

-----

12 E. Hanson, The Politics of Social Security, (Auckland, 1980).

13 F. Castles, The Working Class and Welfare, (Wellington, 1985).

14 W. H. Oliver, "Social Policy in the Liberal Period", in NZJH, 13:1(1979), pp.25-33.

historiography, and in 1988 Oliver developed this further. Social policy into the early twentieth century was seen as targeting the able rather than those unable to help themselves. Activity was therefore centred on closer settlement and industrial regulation, rather than on establishing adequate levels of income maintenance.<sup>15</sup>

Despite the dissenters, the underlying positive theme of humanitarian progress has predominated, and produced a history of legislation with little appreciation or assessment of impact and results. A history of rhetoric and policies has prevailed in New Zealand, with limited concern for measuring actual results and long term consequences. Concentration upon the political development of the Welfare State, the motives for a given policy, the Acts and a chronicle of amendments, has produced an unbalanced historiography which tells just some aspects of the story. This is clearly the case with the 1898 Old-age Pensions Act. Read at one level, the Act is a liberal piece of legislation granting aid to the elderly. However, the legislation alone provides few clues about how many might actually benefit, or what a citizen might realistically

-----

15 Oliver, "Social Policy in New Zealand: An Historical Overview", pp.3-45.

expect to receive. Given this, confident progressive assumptions are tenuous.

In combination with these more critical general approaches, insights drawn from administrative history can help address this imbalance. Studies of administration involve investigation beyond legislative prescription, and provide a means of assessing the negative as well as positive aspects of welfare provision. A focus upon policy implementation furnishes one important way of determining the impact and results of a piece of legislation, and in turn allows commentary on a policy's significance. Such an approach is crucial in shifting emphasis from ideology and politics to performance. By determining how a policy works, a deeper understanding can be gained of that policy and the society which produced it.

Little good administrative history has been written in New Zealand. Concentration upon the central structure of administrative bodies characterized many early studies. F. S. Maclean's comprehensive survey of the emergence of public health in New Zealand is one such example, with its almost exclusive focus upon the development of the central

administration.<sup>16</sup> The institutional orientation produced a study of health regulations. In addition to studies of specific government departments,<sup>17</sup> there have been a number of works concerned with the piecemeal development of the public service more broadly. These include R. Milne's Bureaucracy in New Zealand and R. J. Polaschek's Government Administration in New Zealand, which were directed at contemporary reform in a period when the civil service was experiencing public criticism.<sup>18</sup>

Nevertheless, two previous studies do demonstrate the importance and potential of the administrative approach. In his MA thesis on the activities of the Labour Department at the turn of the century, Peter Gibbons follows the transformation of policy ideal into actuality.<sup>19</sup> Gibbons argued that goals of alleviating

-----

- 16 F. S. Maclean, Challenge for Health - A History of Public Health in New Zealand, (Wellington, 1964).
- 17 See for example, R. Noonan, By Design. A brief history of the Public Works Department/Ministry of Works 1870-1970, (Wellington, 1975).
- 18 A number of studies were published in the 1950s. See for example, K. J. Scott, Welfare in New Zealand, (Wellington, 1955); R. S. Milne, Bureaucracy in New Zealand, (Wellington, 1957); and R. J. Polaschek, Government Administration in New Zealand, (Wellington, 1958).
- 19 P. J. Gibbons, "Turning Tramps into Taxpayers - The Department of Labour and the Casual Labourer in the 1890s", MA thesis, (Massey, 1970).



unemployment were tempered by disciplinarian measures. Even so, while he explores policy and implementation, Gibbons' focus is still upon central administration, the impact of Edward Tregear as head of the Labour Department 1891 to 1911, and the Department's attitude to recalcitrant elements among the unemployed.

A more recent study of charitable aid develops administrative history further. In this Margaret Tennant provides an indepth account of the 1885 Hospitals and Charitable Institutions Act, assessing not only the policy but the administrative process at all levels, and includes those who were the recipients of such aid.<sup>20</sup> This refocusing is crucial. It demonstrates that welfare history is not exclusively political or administrative, but rather a complex web of interactions involving politicians, administrators and the public.

An existing body of literature concerning contemporary policy implementation suggests how administrative history might be elaborated. Much of this work provides few models for

-----

20 M. A. Tennant, "Indigence and Charitable Aid in New Zealand 1885 - 1920", PhD thesis, (Massey, 1981) and Paupers and Providers - Charitable Aid in New Zealand, (Wellington, 1989).

historical study, because it concerns complex modern bureaucracies. However, it provides a starting point for the examination of early welfare provision, in particular by alerting us to the relationships between legislation, central and local administration, and the public. Analysis of these is crucial, because a gap may often exist between the intent of legislation and the actual results of a given policy.<sup>21</sup>

\* \* \* \* \*

This thesis aims to explore the implementation of old-age pensions policy in New Zealand, and in so doing to determine the substance of the scheme that existed between 1898 and 1939. Since little prior attention has been paid to policy implementation, this thesis investigates the gap between policy ideal and actual results.

The structure is chronological. Although the five chapters largely follow the changes in head administrators, this is not a study of individual men and the coincidence is somewhat artificial, as will emerge in time. Instead this structure represents one view of the major periods of change

-----

21 M. Hill, Understanding Social Policy, (Oxford, 1983), pp.82-109

and continuity.

Chapter One explores the first three years of the 1898 Act's life. Certain features of the Act set the tone for its implementation, as did the provisions specifying how the complex and detailed administrative system should work. Despite the legislation's apparent explicitness concerning both entitlement and procedures, points of tension and areas of administrative discretion were soon evident when the scheme became operational. Some of these were to plague administrators and applicants for the forty years of this study and do so still.

In Chapter Two central administration comes under scrutiny. The Old-age Pensions Department emerged in an era of growing bureaucracy, and it represented just one small part of a change occurring to government around the turn of the century.<sup>22</sup> Critical to the central administration between 1902 and 1908 was one official, James Eman Smith, and the role of personality in the administrative process is explored. In these years Smith, the Registrar of Old-age Pensions, was

-----

22 E. Olssen, "Towards a New Society", in The Oxford History of New Zealand, (ed) W. H. Oliver with B. R. Williams (Wellington, 1981), p.250.

determined to gain a share of the expanding government machinery. His nose for "efficiency" also saw him adopt keenly the Act's preoccupation with a searching enquiry into each applicant's entitlement. Smith's reign had many consequences for administrators and pensioners alike. Central-local bureaucratic relations were repeatedly strained as Smith and local officers clashed over issues of power.

Between 1909 and 1912 the Old-age Pensions Department lost its independent identity when merged with another larger government department. In Chapter Three the significance of these years are examined. This period marked the beginnings of a muted change in sympathy by legislators about the use of the court system in the investigation of pension claims. Chapter Four discusses further the evolution of the system and what it meant for pensioners. Despite much evidence of administrative activity in the late 1910s and 1920s, little real change can be detected in terms of ideology or how pensioners fared.

The 1930s are the focus of Chapter Five. By the time social security came into being in 1938 the old-age pensions system in New Zealand looked somewhat different from the one that had been born forty years earlier. Much of that change occurred in

the early 1930s, and Labour continued the process after 1935.

The sources available for this study reflect in themselves the centralizing of old-age pension administration. Unfortunately, many early records, especially local ones, have been destroyed. Numerous files were also lost in fires or flooding while stored in garages around Wellington.<sup>23</sup> The problems with sources are exaggerated by the range of departments involved in pensions administration, and the tentative existence of an independent Department prior to 1913. However, some two hundred and fifty files survive from the 1898-1938 period, to convey a picture of expanding central powers, a broadening range of pensions, refining bureaucratic procedure and growing staff. The files cover a variety of departmental interests ranging from expenditure, prosecutions and religion to the staff picnic.

Tied to the growth of bureaucracy was the Department's emphasis upon gathering detailed information about pensioners. Statistics on gender, race, status, age, occupation and residence were all collected from time to time. These records are not always

-----

23 Interview: R. Gillies, 29 November 1988. Also see S. R. Strachan, "Archives for Social History", NZJH, 13:1(1979), p.90, in which it is stated that the records of the Pension Department have almost totally disappeared.

systematic or continuous, however, and need to be used cautiously.

Few sources provided an insight into pension administration from the local administrators perspective. Nevertheless, the limited collection of surviving letterbooks, minutebooks, claims registers and police reports demonstrate the lengths officials went to prove or disprove applicant eligibility. These also record the character of "delinquent" pensioners, and the volume of inter-district as well as central-local communication.

Magistrate investigation books - that is, the personal notebooks kept by the examining Magistrate of every interview with each applicant - are the nearest the researcher can get to the "voice" of the citizen. These record the biographical stories of each applicant in the form of a personal statement. However, it must not be forgotten that the applicant lost control of what was recorded, and the analysis possible here is very limited.

Letters to newspapers from pensioners, the general public and interested organisations furnish an insight into the ambivalent perceptions of pensions held by many. Limited oral sources

were also used. Two ex-officials were interviewed, and provided interesting glimpses into how clients were perceived, and the contradictory pressures upon administrators. A number of informants recounted their memories of older relatives' reactions to old-age pensions. The small size of this sample raises questions of representativeness.

Within these constraints this thesis aims to shed some light upon the first forty years of New Zealand's old-age pensions scheme. In doing so it is hoped that some sense will be gained of what this measure, so frequently heralded as the foundation stone of the New Zealand welfare state, proved to be in practice and of the extent of its impact.

## CHAPTER ONE: 1898-1901 - THE EARLY YEARS

On 1 November 1898 the Old-age Pensions Act received the Governor's assent. In the same month, Edmund Mason, the Registrar of Friendly Societies, was appointed the first Registrar of Old-age Pensions, charged with the task of overseeing the national operation of the scheme. Seventy-two pension districts were constituted, and a deputy-registrar was appointed to each to implement the measure at the local level. In December, pension claim forms were distributed to Post Offices throughout the country, and applications for the pension could then be received by the district officers. By March 1899, 7,443 individuals were old-age pensioners.

Certain features of the 1898 Act are worthy of commentary. First, entitlement to the old-age pension was severely restricted. In order to receive a maximum pension of £18 each year, an individual had to meet a number of requirements. The initial prerequisite was that the applicant be sixty-five years or older. In addition, applicants were to be resident



in New Zealand, both when applying and through the previous twenty-five years. Moral qualifications were also included - those applying were neither to have been imprisoned nor to have deserted their families. "Good moral character" and "sober and reputable" living were further priorities. The remaining criteria were financial. The claimants' yearly income was to be under £52 and assets, less liabilities, valued no greater than £270. Policymakers in the early 1990s echo the concerns of those in the 1890s, when applicants were required to prove that asset-shedding had not been undertaken in an effort to secure a pension.<sup>1</sup>

On the face of it, the eligibility criteria seem careful and explicit. Yet much was contentious, producing numerous legislative adjustments and administrative problems, and forming pivots around which much popular as well as parliamentary debate hinged. Foremost amongst these problems were philosophical confusions which permeated the 1898 Act.

The preface to the Act was the root of considerable uncertainty. As a statement of intent, the preamble was troublesome

-----

1 The Old-age Pensions Act, New Zealand Statutes, 1898, No.14, 62 Vict, sections 7 to 15, pp.48-51.

because it lent itself to varied interpretations. Much confusion arose from the word "deserving", as was demonstrated by the extensive criticism levelled at the Act's opening, both before and after its passage.

Condemned as a "lie" by some, the preamble reads as follows:

Whereas it is equitable that deserving persons during the prime of life have helped to bear the public burdens of the colony by the payment of taxes, and to open up its resources by their labour and skill should receive from the colony a pension in their old age.<sup>2</sup>

Criticism centred on whether need or merit was the predominant criteria. The preamble could be read to imply an unconditional reward to deserving colonists who had helped open up the colony.

This interpretation caused a mixture of reactions. Some argued that to protect the concept of reward, more rigid differentiation between the virtuous and vicious was needed.<sup>3</sup> Others discredited the preamble as posturing which neither reflected nor described the scope and effect of the Act.<sup>4</sup> Such a view was voiced quite forcefully, because the Act's heart made much effort to limit eligibility through conditions which bore little relation to

-----

2 NZH, 7 October 1898, p.5; New Zealand Statutes, 1898, No.14, 62 Vict, p.48.

3 NZPD, 103(1898), pp.668-669(Wason).

4 ibid, 104(1898), p.608(Brown).

an individual's contribution in colony building.<sup>5</sup>

Further attacks on the preamble revealed the belief that terms of merit or need were redundant. Such concepts, it was argued, simply showed misunderstanding of what constituted a pension. A popular interpretation of the term "pension" favoured the meaning that it was a form of deferred payment for services rendered.<sup>6</sup> Two major points, then, caused tension. Poverty and desert were seen as contradictory, and complicating this further was the notion that a pension was a form of reward.

In many respects these contradictions in the Act reflected an ambivalence that existed, both in nineteenth century New Zealand and internationally, about poverty and how it should be handled. Although attitudes toward poverty have been much discussed by historians, an outline of them is crucial in a discussion of old-age pensions policy because it was in this context that the 1898 Act was framed and operated.<sup>7</sup> Miles Fairburn in The Ideal Society and its Enemies identifies several ways in which

- 
- 5     ibid, 104(1898), p.576(Russell); 122(1902), p.100(Atkinson); Morning Post, July 1907, OAP A24, NA.
  - 6     NZPD, 105(1898), p.248(MacGregor); Morning Post, July 1907, OAP A24, NA.
  - 7     See for example, Sutch, Poverty and Progress, (Wellington, 1969), pp.41-97.

nineteenth century New Zealand was perceived. Central to these views of what was good and just was the notion that a labouring man could achieve material independence if he adhered to the work ethic. Individuals would receive as much as they deserved, that is, as they earned.<sup>8</sup> Sobriety, thrift and hardwork would bear their material reward. The inverse - failure to achieve - was a consequence of individual shortcoming, and poverty was a state solely in the hands of the individual. Deservedness and need were distinct and opposite states.

However, during the 1880s and 1890s it became obvious that poverty could not necessarily be attributed to such a specific, personal cause. The findings of the 1890 Sweating Commission, for example, revealed that many hard workers were not achieving material independence. Despite considerable individual effort, poverty could not always be overcome. Deservedness and poverty could no longer be considered disparate in the face of this evidence.

Recognition that poverty could strike indiscriminately found expression in the 1898 Act, and reflected a mixture of old and

-----

8 M. Fairburn, The Ideal Society and its Enemies, (Auckland, 1989), p.42.

new thinking. By targeting "deserving colonists" in the preamble, policymakers appeared to be embracing the older understanding of deservedness: that is, being in poverty proved one's lack of desert. However, the criteria determining eligibility later in the Act suggests that the newer insight into poverty and its causes was of major importance, and that the Act really aimed to help the meritorious poor - that is, the Act embodied a wider concept of "deservedness".

This distinction is important and followed a precedent already laid down by those involved with charitable aid in the 1890s.<sup>9</sup> Deservedness had received intense consideration by Dr Duncan McGregor in his role as Inspector-General of Hospitals and Charitable institutions between 1886 and 1906. McGregor placed great emphasis upon classifying the poor into degrees of worth.<sup>10</sup> In his classification the workshy and degenerate were indisputable examples of the undeserving. The deserving, however, were victims despite their own best efforts. Self-help was crucial

-----

9 Charitable aid had been in existence in varying forms since the 1850s. By the 1880s it was a system of discretionary assistance administered by hospital boards in the form of outdoor relief, which was to help the poor in their own homes, or indoor relief which was institutional care, see Tennant, Paupers and Providers, pp.11-25.

10 Annual Report on Hospitals and Charitable Institutions, AJHR, 1888, H-9, p.8.

in this distinction. The deserving poor comprised those who wanted to help themselves but could not.

Use of the term deserving was further confused by the inclusion of the word "pension". The belief that a pension was simply a deferred payment for services rendered was widespread, and seems to imply that the broader interpretation of deservedness was paramount in shaping the Act. This seems fair. Prior to the 1898 Act, other public pensions were already in existence in New Zealand. The majority were paid to officials under the Civil Service Act of 1866, whereby upon retirement sixty year olds would receive a pension relative to the length of service and position. This system was abolished in 1871, although existing pensioners continued to receive an annual payment. Under the Military Pensions Act of 1866 some soldiers and their families were granted pensions as recompense for injury or death sustained in active service.<sup>11</sup> In light of this, the sense that a pension was a deferred payment for some previous service seems reasonable.

While the word "pension" obscured the Act's intent, it may have been employed to generate a sense of honourable state aid.

-----

11 NZOYB, 1895, pp.61-63.

Since a "natural" abhorrence of charity was considered a trait of true deservedness, it is likely the term "pension" was a promotional tool to overcome the stigma associated with charity. Whatever the preamble's purpose - mere marketing ploy by Seddon, or meant genuinely to convey the selective nature of the scheme - it was a source of considerable ambivalence which went on to plague the scheme's administration.

Discipline was another notable feature of the 1898 Act. While the requirement specifying sobriety was viewed as synonymous with deservedness, it also reflected a broader concern about drink in late nineteenth century New Zealand. Not only were Prohibition and temperance key social issues at this time, but New Zealand also had a history of drunkenness. Miles Fairburn suggests that convictions for drunkenness indicate that in the 1850s and 1860s New Zealand had a severe drinking problem.<sup>12</sup> He attributes a high level of convictions to the "socially impoverished" nature of New Zealand society at this time, with individuals resorting to alcoholic bingeing to block out loneliness. This combined with few leisure options to make

-----

12 Fairburn, Ideal Society, pp.206-207. In 1853 there were almost 3,500 convictions for drunkenness per 100,000 people. By the mid 1860s this had dropped only slightly to 3,000 per 100,000 people.

the pub an attractive recreational choice and central feature of life.<sup>13</sup>

The disciplinarian tone went beyond a concern with drink, with the inclusion in the Act of clauses under which individuals could be struck off the pension roll because of various unacceptable behaviours. As W. H. Oliver has suggested, the cancellation provisions reflected a basic desire by policymakers to mediate old-age pensioner behaviour.<sup>14</sup>

For instance, concern about how the pension was to be spent was spelt out clearly in the 1898 Act. Under section 49 any pensioner convicted of drunkenness could have one or more instalments of the pension cancelled by the convicting court. On top of this, if the convicting court felt the pensioner misspent or wasted his income, or was a "habitual drunkard", it could order that a reputable person rather than the pensioner be paid the pension.<sup>15</sup> This message of concern about alcohol was passed on firmly to those involved in the Act's implementation

-----

13    ibid, p.216.

14    Oliver, "The Origins and Growth of the Welfare State", in Social Welfare and New Zealand Society, (ed) A. D. Trlin, (Wellington, 1977), p.9.

15    The Old-age Pensions Act, New Zealand Statutes, 1898, No.14, 62 Vict, p.56.



in 1899. Waldegrave, the Under Secretary of the Department of Justice, instructed Clerks of the Court that a telegram be sent to the Registrar of Old-age Pensions whenever an old-age pensioner was convicted of drunkenness.<sup>16</sup>

Meanness can also be detected throughout the 1898 Act. Specific groups were excluded quite emphatically under the Act's provisions. Aliens, Chinese and Asiatics, whether naturalized or not, were not entitled to any pension. Naturalized subjects of European descent were also excluded, unless they had been naturalized for at least five years.

By comparison the inclusion of Maori in the Act seems liberal. Maori were entitled to a full pension, if they fulfilled the eligibility criteria and were not already receiving money or supplies under the Civil List Act of 1863. Large numbers quickly gained pensions, though there were special restrictions. The requirement, for example, that Maori had to furnish documentary proof of age was difficult to meet. In contrast, Europeans who were more likely to hold some documentary evidence, were not required to produce any regarding age. Instead,

-----  
16 Department of Justice Circular No.5, 12 July 1899, SS7  
9/4/4, NA.

European applicants had only to present a reputable witness to confirm their age.

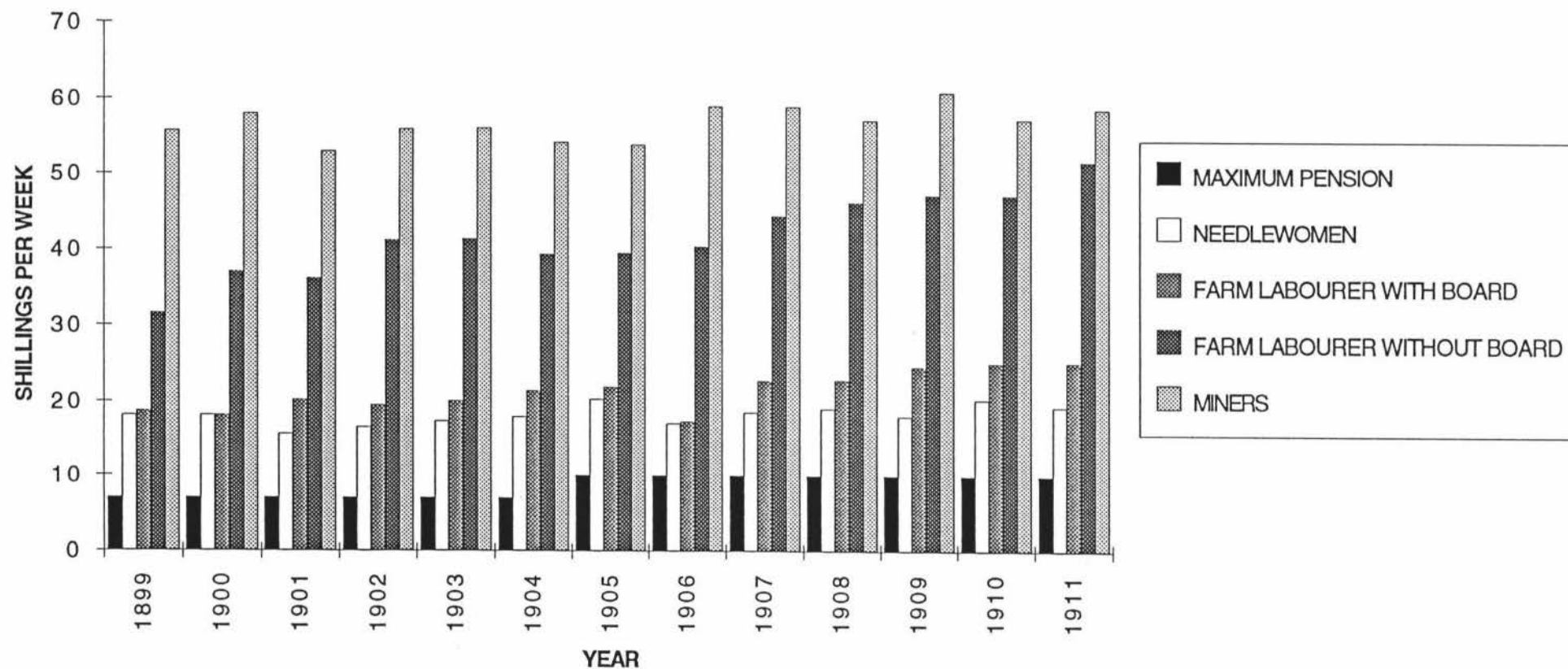
Additional meanness is also evident in the value of the pension. This parsimony can be seen when the maximum rate of pension is compared with wage rates of a range of contemporary occupations. Between 1898 and 1905 the maximum pension available was 7s per week, before rising to 10s per week in 1905. Margaret Arnold's study of wage rates between 1899 and 1911 provides a basis for comparison, and the results appear in Graph 1.1. A needlewoman's wage rate was at least twice as much as an old-age pension.<sup>17</sup> A farm labourer with board had a wage rate (excluding the value of that board) two to three times greater than the maximum pension. A farm labourer without board had wages some four times and a miner six times greater than the pension.

However, simply comparing wage rates of various occupations with the maximum rate of pension has its weaknesses. While an old-age pensioner received only a fraction of average workers' wages rates, it is likely that many employees were supporting families and therefore had greater demands upon their wage

-----

17 M. N. Arnold, "Wage Rates, 1873 to 1911", Discussion Paper No.11, (Victoria University, 1982), pp.3-4, Table One.

GRAPH 1.1: WEEKLY WAGE AND PENSION RATES, 1899-1911



Sources: M.N. Arnold, "Wage Rates, 1873 to 1911", Discussion Paper No. 11, (Victoria University, 1982), Table One, pp 3-4; and New Zealand Statutes, 1899-1911.

than those of a pensioner. Such a simple comparison exaggerates the smallness of the pension, or the relative affluence of certain workers.

A calculation of average working class families income and expenditure can provide a better insight into comparative worth. To do this I used a survey of working class households undertaken by the Labour Department in 1893, since it was from such a population that pensioners were likely to be drawn.<sup>18</sup> Details of composition, income and expenditure of 106 families were recorded in the survey. To determine the average "resources" per adult of all families the total income available to each household has been divided by the number of "adult equivalents" who were dependent upon that income.

"Adult equivalence" is the calculation used to convert the demands of a child into a fraction of those of an adult.<sup>19</sup> The first adult in the household was counted as 1, the second and subsequent adults as 0.6 and a child as 0.3 of an adult in terms of expenditure needs. This allowed both adults and children to

---

18 Annual Report of Labour Department, AJHR, 1893, H-10, pp.40-51.

19 L. D. McClements, The Economics of Social Security, (London, 1978), pp.101-108, provides a guide for adult and child equivalence scales.

be treated in a standardized manner. It appears that if a pensioner was receiving the maximum pension of £18 per annum in 1900, then that individual would be receiving around 42 percent of the average resources available to each "adult" in the 106 sample households.<sup>20</sup>

A number of considerations need to be made when interpreting this result. First, the representativeness of the 106 households is unknown. Second, there is no guarantee as to the accuracy of informants. When recording income people often forget informal or occasional sources of funds. Furthermore, when recording expenditure participants undervalue the expense of certain items like alcohol - the halo effect comes into play. Also, the scale of "adult equivalents" may affect the result. In this study minors were measured as 0.3 of an adult. If this undervalues the demands of a child, the result will inflate the apparent income of adult equivalents and consequently make pensioners seem poorer. Some argue for child values of 0.4 or

-----

20 One further computation was necessary. The survey was outside the period of this study. In order to adjust the average earnings per adult equivalent for 1893 up to 1900 prices the amount needed to be multiplied by the cost of living. However, Arnold's Consumer Price Index reveals that the difference in the cost of living in 1893 and 1900 was less than 1 percent. As a result, the 1893 calculation was accepted as a fair guide for 1900. See M. N. Arnold, "Consumer Prices, 1870 to 1919", Discussion Paper No.12, (Victoria University, 1982), Appendix D

0.5 of an adult. But whatever the reservations, this study suggests that pensioners were being guaranteed an income (in addition to any private extras) between 30 and 50 percent of the income of the working class of the time. No other surveys of household income were undertaken during the period of this study, and no repeats of this comparative exercise proved possible.

\* \* \* \* \*

Another feature of the 1898 Act was its explicitness about the procedure by which an individual must make application for a pension, and how the administrators should handle this. These provisions, rather than the eligibility criteria, made up the bulk of the legislation, involved some fifty-three clauses, and have been little acknowledged by historians. Each applicant faced a lengthy and formidable process, both at the time of initial claim and each subsequent year in having the pension renewed. First came completion of a claim form containing nine main questions on eligibility. Before the claim could be filed a statutory declaration of veracity also had to be completed.



Presenting his pension certificate

Source: From series "Old Age Pensioners: the Old Age Pensions Act 1898, in Operation". Taken by E. S. Pegler, Onehunga. National Archives.

Upon submission of a claim the truly inquisitorial part of the process became evident. The deputy-registrar, whose main function was to take care of the paper work, arranged a date when the individual must appear before a Stipendiary Magistrate to support the application. The Act identified the Magistrate as the individual responsible for investigating and adjudicating claims in open court. This system suggests that while some new insights into the causes of poverty were evident, the punitive attitude of the nineteenth century towards poverty was still strong, and expressed itself as a basic suspicion toward those seeking aid.

By utilizing the court system, a means of searching enquiry had been provided. The Act specified that each prospective pensioner was to attend court, at which stage the Magistrate was to determine two matters - eligibility, and the rate of pension appropriate to the applicant's income and assets. Magistrates were expected to gain corroborative evidence, and were granted the power to compel witnesses to attend court and give testimony under oath.

In terms of implementation theory, use of the court system might be said to represent the adoption of deliberate



procedures designed to affect the policy's impact, and also reflects a reluctance to encourage dependence upon the state.<sup>21</sup> For many of the deserving, attending a public court investigation which aimed to determine an individual's moral as well as financial worth was abhorrent and tinged with a stigma of charity. Newspaper items suggest that for some this procedure was a deterrent to applying. "A Just Claimant" who had purportedly never been in a court before wrote to one newspaper of his refusal to submit to the "indignity of being dragged into open court in order to claim a pension".<sup>22</sup> Another correspondent claimed that he would not "subject himself to publicity and being branded a pauper", while a third declared she would rather "end in want than be the recipient of charity".<sup>23</sup> Yet another was outraged enough to write to Seddon claiming he would be "shocked" at the questions applicants were asked in court.<sup>24</sup>

Newspaper reports of the early pension court hearings reinforce the sense that the scheme was being policed closely by the public as well as officials. Some papers treated the

-----  
21 Hill, p.90.

22 Letter to the Editor, 2 February 1899, W. Pember Reeves, MS 129, No.25, WTU.

23 NZH, 4 February 1899, p.1.

24 Anon to Seddon, 10 April 1905, OAP A24, NA.

early court sessions in a light hearted fashion, recounting many anecdotes - for instance, the gravedigger who could not state his income because he was paid by the piece.<sup>25</sup> However, while such snippets continued to appear occasionally, the more serious reporting of applications was at times very detailed in newspapers from Auckland to Otago. The New Zealand Herald, for example, repeatedly carried full reports of pension court hearings, recording each claimant's eligibility in detail. Ironically, the Herald was one newspaper which quickly recognized that many were not applying because of the publicity given to applications, but justified itself by asserting that it was the intention of Parliament to "have the fullest publicity in each case".<sup>26</sup>

The publicity surrounding the pension courts caused the scheme to be likened to charitable aid. One commentator argued that there was little difference between the two because applicants shrank from publicity, and suggested that "if the pension were in reality a reward to 'deserving colonists' they would esteem it an honour to have their names mentioned in the papers".<sup>27</sup> An overseas commentator was equally damning, claiming that

-----  
 25 NZH, 25 March 1899, p.1.

26 NZH, 3 February 1899, p.4.

27 Press, 6 February 1899, W. Pember Reeves, MS 129, No.27, WTU.

the "armoury" of questions faced by each applicant was "more terrible than that which an Official Receiver keeps for bankrupts".<sup>28</sup>

Some Magistrates were equally negative about the publicity of the court system. In early 1900, Robert Stanford, the Stipendiary Magistrate for New Plymouth, proposed that the open court system be abandoned as it was "offensive to many".<sup>29</sup> The Stipendiary Magistrate for Palmerston North went further, suggesting that the words "open court" be struck out of the 1898 Act because in his view "many deserving people who really want the money...will not appear in a public court for examination and expose their poverty".<sup>30</sup>

Occasionally this sentiment was also echoed in the House of Representatives. One member argued that the "susceptible and tenderminded" were deterred from claiming an old-age pension because of the very public and inquisitive administration system. On this basis he advocated that the examination of applicants should be changed to one in privacy, and therefore to remove

-----

28 Leeds Yorkshire Post, 3 March 1899, W. Pember Reeves MS 129, No.26, WTU.

29 R. Stanford to E. Mason, 22 January 1900, OAP A24, NA.

30 A. Greenfield to Mason, 25 June 1900, OAP A24, NA.

a "blot" from the scheme's workings.<sup>31</sup>

However, not all were deterred or unhappy. In 1901, for example, an Old-age Pensions Committee was formed in Auckland to organize from local pensioners a formal expression of gratitude to Seddon for the scheme. Despite the Committee itself smacking of officialdom - including in its ranks deputy-registrars of pensions, police officers, bankers and representatives of charitable institutions - there was considerable support from old-age pensioners in the Auckland district. On 3 April 1902 a delegation of committee members visited Seddon and made a presentation which was signed by 1200 old-age pensioners, and gifted a diamond ring to Mrs Seddon which had been purchased from the donations of some 850 pensioners. Letters from the Auckland district's oldest pensioners, Jane Coffey and John Hunt, were presented along with those from the district's Maori pensioners and inmates of the Costley Home and the Home of the Little Sisters.<sup>32</sup>

\* \* \* \* \*

-----  
31 NZPD, 114(1900), pp.285-286(Laurenson).

32 Old-age Pensions Committee Minute Book, Seddon Papers, 2/29, NA.

Contributing to the inquisitorial nature of the old-age pensions system was the structure of local administration, which utilized existing officials who were supposedly knowledgeable about a district's inhabitants. Pensions administration had very few officials of its own, but instead the new task was simply loaded onto other civil servants. Use of other departments' officials served to entrench the judicial flavour of pension administration, for not only were the Magistrates employees of the Justice Department, but so too were the majority of deputy-registrars. In 1898, seventy-two officials were appointed to implement pension policy at the local level, and of these sixty-eight were already Clerks of the Court. Three of the remainder were Registrars of Births, Deaths and Marriages, and one was a Registrar of Electors.<sup>33</sup>

Clerks of the Court were an obvious choice, given the central role of the courts in pension administration. As deputy-registrars their role was essentially administrative involving, for instance, receiving claim forms, arranging court dates, recording the Magistrates' decisions and issuing pension certificates. However, this arrangement was not without

-----

33     The New Zealand Gazette, 1898, Vol.2, p.1984.

difficulties, since many of these officials were burdened with other roles. A study of this early period reveals the range of competing functions. In 1899, not one deputy-registrar of pensions was engaged exclusively in old-age pension work. In that year, seventy-two deputy-registrars carried at least a further 187 different roles, in addition to their pension work - an average of 3.6 jobs per official.<sup>34</sup> One man, the deputy-registrar for Gisborne, had seven other positions of responsibility - Clerk of Court, Registrar of Births, Deaths and Marriages, Sheriff of Poverty Bay, Registrar of Electors, Clerk of the Licensing Committee, Registrar of the Supreme Court and Vaccination Inspector.

This multiplicity of roles heightened the judicial emphasis. At least twenty-nine of the deputy-registrars were police officers as well as being Clerks of the Court. Moreover, police participation did not end here. Under regulations issued in 1898, which further spelt out matters governing the Old-age Pensions Act administration, it was made the duty of members of the Police Force (and all government officers) to both assist claimants in the preparation of a claim, and to aid pension

-----

34 This breakdown was compiled from information gathered from the NZOYB, AJHR, and The New Zealand Gazette, 1899-1939.

officials in the investigation of all pension claims.<sup>35</sup>

Michael Hill suggests that political ambivalence may well express itself in the imposition of constraints upon the implementation process, and the sharing of officials may well have been such an expression in this case.<sup>36</sup> The Old-age Pensions Department did not pay these officials, which suggests that pension work had little status at this time. Between 1899 and 1901 only four officers were paid for their pension work. This made for administrative problems. Both Magistrates and deputy-registrars were under the control of and paid by another department, and this offered the Old-age Pensions Department little opportunity or basis from which to command either priority or loyalty from these officials.

While the use of other departments' staff and resources was an effective cost containment strategy, it contributed to the weakness of the central Department. The first Registrar of Old-age Pensions, Edmund Mason, was not only a lone employee at Head Office in Wellington but also burdened with multiple jobs, although paid for his part-time pension work. However,

-----

35 Regulations under "The Old-age Pensions Act, 1898", The New Zealand Gazette, 9 December 1898, pp.1979-1984.

36 Hill, p.90.

it was the Registrar's lack of statutory power which made tenuous any central control over local officials.

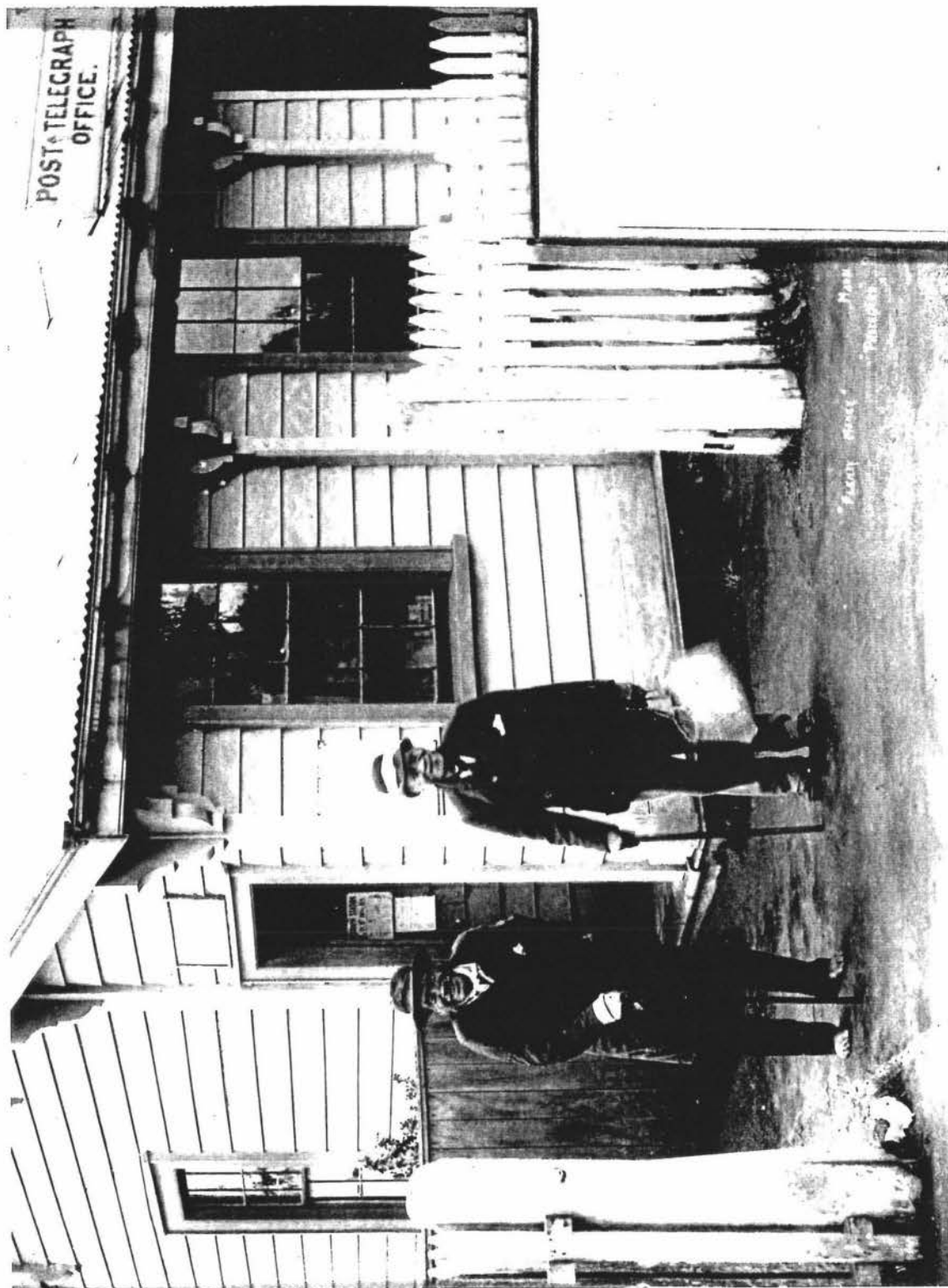
The 1898 Act specified that central oversight of pension work was chiefly confined to a caretaker role, with the Registrar being responsible for recording the establishment of each claim and thus collating national statistics, and furnishing information to the Colonial Treasurer to enable him to report annually to Parliament.<sup>37</sup> The Registrar was excluded from the bulk of decision making, and had no input into the selection of pensioners. Furthermore, the small scale of the old-age scheme precluded a separate Minister of Pensions, with the Registrar being answerable to the Colonial Treasurer.

However, the Registrar's lack of statutory power did not prevent Mason from attempts at influencing policy direction and pension officials through both official and unofficial channels. One major and persisting example of such administrative discretion was the issue of race. The handling of Maori pensions, for which an unofficial policy emerged almost immediately upon the Act's implementation, is one of the few

-----

37 The Old-age Pensions Act, New Zealand Statutes, 1898, No.14, 62 Vict, p.48.





Maori pensioners leaving the Post Office after collecting the pension

Source: From series "Old Age Pensioners: the Old Age Pensions Act 1898, in Operation". Taken by E. S. Pegler, Onehunga. National Archives.

administrative issues that has prompted commentary by historians of the post 1898 period.

Sutch maintained that the Act "weighed against" Maori claimants on two grounds - the difficult requirement of having to prove age, and the handling of Maori interest in land.<sup>38</sup> Elizabeth Hanson, in her study of social security, described explicit attempts by officials to prevent Maori benefiting from old-age pensions on an equal footing with Europeans.<sup>39</sup> Margaret Tennant suggests that pension administration ensured Maori were discriminated against on racial grounds.<sup>40</sup>

Each of these criticisms has merit. However, in this early period Maori were admitted to the scheme in great numbers, a situation little acknowledged by historians. In 1901 approximately 65 percent of Maori eligible by age appear to have been on the pension roll. In contrast, only 36 percent of Europeans eligible by age were receiving the pension at this time. H. D. Lloyd in Newest England, (1900) was one early commentator to recognize this, stating that "Maoris are getting proportionately much the largest share of the pensions" and that such a situation

-----

38 Sutch, Quest for Security, (Wellington, 1966), p.93.

39 Hanson, pp.162-163.

40 Tennant, Paupers and Providers, p.99.

warranted investigation.<sup>41</sup>

Administrative activity to contain the impact of old-age pension policy among Maori was already underway by mid-1899, when an early central attempt to block Maori claims was evident. Problems associated with Maori claims were identified by one Stipendiary Magistrate in a letter to Mason.<sup>42</sup> The chief difficulty that the Magistrate experienced was language, particularly in conveying what applicants had to prove and what they could do to meet the Act's requirement regarding property. He suggested that a special officer be appointed who could speak Maori fluently, to provide assistance to Maori applicants in preparing for the pension court. However, the Colonial Treasurer, Seddon, vetoed this proposal emphatically, claiming it was "undesirable for the Government".<sup>43</sup>

By late 1899 Mason had devised an alternate plan to deal with the difficulty of Maori property, which aimed to sharpen the investigation. In a circular to each deputy-registrar of

-----  
41. H. D. Lloyd, Newest England, (New York, 1900), p.357.  
42. H. Eyre Kenny to Mason, 14 June 1899, OAP 190 /N4, NA.  
43. Secretary, Treasury to Eyre Kenny, 28 June 1899, OAP 190 /N4, NA.

pensions, Mason directed them to refer all Maori claims to the Native Land Court as a means of verifying the applicant's statement regarding any interest in land. Following this, the claim was to be referred to the district's Land Purchase Officer, who was required to provide a valuation of the claimant's interests. This procedure was to be completed before the deputy-registrar placed the application in front of the Magistrate in court.<sup>44</sup>

After visiting various North Island pension districts in 1900, Mason became still bolder in his attempts to control Maori claimants. When he learnt that some 200 Maori pensions claims were awaiting investigation in four pension districts - Whangaroa, Mongonui, Rawene and Russell - Mason reported to Treasury that the establishment of these claims would make the total number of Maori pensioners much greater than expected.<sup>45</sup> On the basis of this, Mason suggested that an individual be appointed to inquire and report upon the working of the Act among Maori, whose inclusion in the scheme's benefits on equal terms might be reconsidered. This was not endorsed, but Treasury agreed

-----

44 Old-age Pensions Department Circular to Deputy-Registrars of Pensions, 19 October 1899, OAP 190 /N4, NA.

45 Mason to Secretary, Treasury, 26 February 1900, OAP 190 /N4, NA.

that "special consideration" should be taken with regard to Maori claimants.<sup>46</sup>

Having received the implicit approval of the Colonial Treasurer, Mason attempted to exert control over the Magistracy adjudicating Maori pension claims. In a proposed circular Mason called for "special pains" to gain the fullest information about the authenticity of the applicant's age and property.<sup>47</sup> This attempt was thwarted by Waldegrave, the Under-Secretary for Justice, who stressed that pension claims were a judicial proceeding and that constitutionally Executive Government could not interfere with the Magistracy's performance of its judicial function.<sup>48</sup> Even so, Mason was free to ensure close scrutiny of Maori claims by directing deputy-registrars to present full details as to the applicant's age and land in court. If this official was not satisfied, he was to oppose the granting of a pension.

These activities tend to suggest that policy concerning Maori

-----

46 Secretary, Treasury to Under Secretary of Justice, 26 March 1900, OAP 190 /N4, NA.

47 Proposed Old-age Pensions Department Circular to Deputy-Registrars of Pensions, 6 April 1900, OAP 190 /N4, NA.

48 Under-Secretary of Justice to Secretary, Treasury, 27 April 1900, OAP 190 /N4, NA.

pensions originated solely at the central administrative level. However, members of the Magistracy were also vocal about Maori claimants, revealing that both the emerging policy and procedure were a combination of central and local input. Furthermore, the policy of taking "pains" over Maori claims could not have been effective without the support of district Magistrates. In some instances, the line which Mason pushed was more moderate than these men would have liked. The recommendations by members of the Magistracy about the handling of race provides an insight not only into how the rights of citizenship were perceived for Maori compared to European, but also suggests that "deservedness" had a distinct racial dimension.

For instance, Harry Eyre Kenny, the Stipendiary Magistrate for Wanganui, voiced a number of opinions concerning old-age pensions for Maori. He believed that Maori eligibility to the scheme should be abolished, with aid to Maori returning to the Native Department. This, he argued, would mean Maori aid would be in the form of supplies rather than money, which would prevent younger generations of the tribe spending the pension. Not only did Maori not need nor manage the pension, Eyre Kenny suggested, but £18 per annum was far too large

for people who lived off the land.<sup>49</sup> Similiar views were reiterated by William Barton, the Magistrate for Gisborne.<sup>50</sup> Yet another Magistrate advocated the end to Maori entitlement for a pension because "none of the general reasons which are to be urged on behalf of the maintenance in their old age of Colonists who have migrated from the land of their birth to build up the colony have any force at all when applied to the aboriginal inhabitants".<sup>51</sup>

In these early years the effect of such central and local views was to slow the processing of Maori claims rather than bringing them to a halt. Use of the Native Land Court and the Land Purchase Officer meant considerable time could elapse between the lodging of a Maori claim, and its presentation to the Stipendiary Magistrate in court. In 1901, for example, the deputy-registrar of Wairoa wrote to Mason complaining that several Maori pensioners were "starving" because delay in their land statements had prevented their pensions from being renewed.<sup>52</sup>

-----

49 Eyre Kenny to Under-Secretary of Justice, 25 September 1900, OAP 1904/A8, NA.

50 W. A. Barton to Under-Secretary of Justice, 2 October 1900, OAP 1904/A8, NA.

51 R. L. Stanford to Mason, 22 January 1900, OAP A24, NA.

52 Deputy-Registrar of Pensions, Wairoa to Mason, 1 June 1901, SS7 9/9/8, NA.

Central and local administrators' adoption of unofficial investigation procedures led in turn to these routines being ratified. In a further set of regulations governing the 1898 Act, issued in 1900, use of the Native Land Court became official. To extend this investigatory process a special form was introduced for completion by Maori applicants only. Form 23 aimed at determining each claimant's interest in land, including customary rights.<sup>53</sup> Furthermore, suggestions forwarded by some Magistrates were also heeded. Included in the 1901 Old-age Pensions Amendment Act was the provision whereby Magistrates who felt it "more advantageous" were granted the power to refer Maori claimants to the Native Minister, who could provide an allowance under the Civil List instead of granting a pension.<sup>54</sup>

\* \* \* \* \*

Other issues faced administrators in the first years of implementing the Act, as areas of confusion were rapidly

-----

53 Regulations under "The Old-age Pensions Act", The New Zealand Gazette, 1900, Vol.2, pp.2232 and 2236-2237.

54 The Old-age Pensions Amendment Act, New Zealand Statutes, 1901 No.50, 1 Edw VII, p.150.



revealed. Earlier in this chapter the single most important source of confusion in the 1898 Act was identified as the lack of clarity on need and merit. This confusion was not confronted in a direct manner, but rather tackled in an ad hoc way as individual anomalies arose.

This is best illustrated by the continual difficulty which administrators experienced in assessing the income and property of applicants. Here the early recognition of the problem by some administrators is discussed. The ongoing problem, which will be explored in subsequent chapters, provides an illuminating insight into the gap between intent, results and the workability of a selective scheme. It furnishes an interesting warning to policymakers in the 1990s.

The rules for assessing income and property in the 1898 Act were not as readily applicable as they appeared. For the purpose of determining how much property an individual owned the net capital value of that property needed to be found. This was done by the following equation:

$$\begin{array}{r}
 \text{All property} \\
 - \text{any mortgage} \\
 - \text{£50 standard deduction} \\
 \hline
 = \text{Net capital value of property} \\
 \hline
 \end{array}$$

On top of this the rate of pension was reduced by £1 for every £15 of the net capital value of property if it was worth more than £50.<sup>55</sup> This meant that if an individual's property had a net value of £270 or more that person would be disqualified from receiving a pension altogether.

This formula seems straightforward enough, but the asset restriction did penalize those who under the Act's rather ambiguous intent were seen as the most deserving - frugal hardworkers who adhered to the work ethic. Ownership of a piece of land and a home could bar an applicant from the pension.

The asset test seems particularly tight when some sense of contemporary property values is gained. Fairburn suggests that about one-third of the population owned freehold property, and from the 1882 Freeholders Return calculates that 47 percent of freeholders owned a property with an assessed value of under £250.<sup>56</sup> In 1900 terms this represented a value of £241 or below.<sup>57</sup> This suggests that some fraction of the elderly

---

55 The Old-age Pensions Act, New Zealand Statutes, 1898, No.14, 62 Vict, pp.49-50.  
 56 Fairburn, p.95.  
 57 This was calculated using Arnold's "Consumer Prices" - see Housing Consumer Price Index Subseries, Appendix B.

were too wealthy to get any pension, and that many others would get a reduced pension only because they owned property over £50.

Furthermore, when compared to the cost of houses built under the Workers' Dwelling Act of 1905, the £50 property exemption and the £270 limit whereby all the pension was lost seems particularly mean. By March 1907 seventy-one houses had been erected in Auckland, Wellington, Christchurch and Dunedin at an average cost for the land and a five roomed house of £477.<sup>58</sup> In 1900 terms this represented a cost of £420.<sup>59</sup>

This meanness is borne out further when the £270 cut off limit is measured against the extent of property left at death. Between 1896 and 1900 the estimated average amount left by each person at death was £296.<sup>60</sup> This suggests that on average everyone was too wealthy to get any old-age pension. However, this figure is not without problems, because it was calculated on the assumption that the average wealth possessed by the living is equal to that left by the dying.

-----

58 Report on Workers' Dwellings, AJHR, 1907, H-11B, p.2.

59 Calculated using Arnold's "Consumer Prices" - see Housing CPI Subseries, Appendix B.

60 NZOYB, 1901, p.235.

This takes no account of the population's age constitution, yet younger members who died were less likely to possess the same amount of accumulated wealth as were their older counterparts.<sup>61</sup>

The asset test was and remained highly contentious, and prompted one Magistrate, for instance, to protest at its severity. Stanford, the Stipendiary Magistrate for New Plymouth, informed Mason that exclusion from the pension because of property with a net value of £270 was in his opinion too harsh. His concern was based on witnessing cases of hardship resulting from this provision. As evidence Stanford cited the case of an aged widow who was the model of deservedness, being of "careful thrifty habits" and subjecting herself to "years of self denial". He had felt compelled to reject her claim, and referred her to the local charitable aid board "as her industry and thrift rendered her not a fit person for the pension" because she had purchased a "modest" dwelling valued between £300 and £400.<sup>62</sup>

On this basis Stanford urged an immediate amendment, since in

-----

61    ibid, 1910, p.611.

62    Stanford to Mason, 22 January 1900, OAP A24, NA.

his view the most deserving were excluded while "degenerates" crept on to the pension roll. To counter such occurrences he suggested that £400 would be a more realistic value at which to exclude an individual from the pension altogether.

Stanford's suggestion seems reasonable in light of property values at the time, particularly since the asset restriction not only included the net capital value of the claimant's house and land but also all other assets including, for example, furniture and savings. For a lifetime's effort the £270 margin was narrow, and as the asset provision stood home owners were often found ineligible for a pension even if they derived no income from their property. This meant that in 1900, for example, excess income and property accounted for as many as 86 percent of rejected pension claims.<sup>63</sup> The statutes and regulations on assets were to be tinkered with repeatedly, though asset-tests remained throughout the period of this study.

Another issue receiving considerable attention between 1899 and 1901 was fraud. In 1901 the Old Age Pensions Regulations Committee was formed to consider possible changes to the regulations governing the 1898 Act's administration. Despite

-----  
 63 Annual Report of Old-age Pensions Department, AJHR, 1901, H-18, p.1.

evidence from both Mason and other pension officials that the percentage of fraudulent claims was very small, the Committee focussed on this matter and made recommendations which were included in the 1901 Old-age Pensions Amendment Act.<sup>64</sup>

Under the 1901 Act preventative measures were introduced which aimed at countering possible instances of deception and further entrenched the inquisitorial application procedure. The Registrar was empowered to inquire into cases of suspected fraud. Deputy-registrars were granted the right to appear in court and cross-examine applicants, and all officers of banks, corporations and government departments were compelled to provide information about claimants. A £10 fine was also introduced for any offence under these Acts.

The level of detected fraud suggests that the Committee was responding to a fear that widespread misapplication was occurring, rather than to concrete evidence. A handful of cases were found in which applicants had concealed the full extent of their assets. Two female pensioners in Nelson, for example, had their pensions cancelled for this reason.<sup>65</sup>

-----

64 Old-age Pensions Regulations Committee, AJHR, 1901, I-10, pp.1-17.

65 W. Heap to Mason, 2 August 1899, SS 9/1/25, NA.

Another applicant in Thames made an effort to shed £180 of his cash and was jailed for one night because of this.<sup>66</sup> William Haselden, the Stipendiary Magistrate for Wellington, informed the Committee that in 8 cases out of 740 had applicants failed to disclose the full extent of their assets. Haselden cited just one case where fraud was clearly intentional, in which a claimant had "palpably altered" a marriage certificate.<sup>67</sup> Concern about the level of fraudulent claims seems somewhat surprising, in view of this.

\* \* \* \* \*

These early days of the old-age pension schemes existence witnessed legislators, administrators and applicants grappling to establish a system. Certain issues - the concept of desert, fraud, drunkenness and the handling of Maori claims - were of continuing importance in subsequent years. Indeed the 1898 to 1901 period only foreshadows the attention devoted to these matters in the following years.

-----  
66 NZH, 20 September 1900, p.6.

67 Old-age Pensions Regulations Committee, AJHR, 1901, I-10, p.2.

It must also be noted that the scheme benefited a minority only. Between 1898 to 1901 the pensioner population increased from 7,443 to 12,406. This generates an illusion of growth, but it is interesting to note that by 1901 only 37.5 percent of the total population (both Maori and European) who were eligible by age actually received the old-age pension. This situation was not to change in the immediate future.



## CHAPTER TWO: 1902-1908 - NO ROOM FOR SENTIMENT

The period 1902 to 1908 was characterized by considerable activity. Aspects of old-age pensions policy were altered by amending legislation in 1902, 1905 and 1908. These Acts were concerned with two things - loosening certain eligibility clauses and ironing out anomalies. However, these amendments were piecemeal and stopped short of addressing the difficult issue of the Act's intent, although some legislative changes reflect a muted softening of attitude towards pensioners amongst legislators.

In contrast, changes at the administrative level reveal a less sympathetic approach to pensioners. This was the result of changes in the broader bureaucratic environment and the system of government at this time, which enabled one particular administrator to legitimize his rather harsh attitude to old-age pensions. As a result, the signs of a shift in sympathy amongst some politicians failed to have a major impact on the scheme.

Instead, changes to administration were more significant, dominate this period, formed the basis of the system for the next thirty years, and demonstrate the crucial role of administration in determining a policy's impact.

\* \* \* \* \*

Evidence of a softening attitude amongst legislators can be seen in two particular amendment clauses. In the 1905 Old-age Pensions Amendment Act Stipendiary Magistrates were granted the discretion to hear pension claims in closed rather than open court. This was a move away from what some had considered excessive publicity in the claim process in the initial years. Later amendments to make this mandatory suggest that the permissive move to "closed court" examination was not widely implemented. In 1908 legislators further sought to mediate the severe criteria by reducing the requirement for "moral living" to just one rather than five years. This will be discussed subsequently.

Legislators also turned their attention to the rate of old-age pension, which was raised from a maximum £18 per annum to £26 in 1905. The income limit was also adjusted and attempts were

made to remedy confusion over the asset-test - each will be discussed later. From a reading of these amendment Acts, the impression is gained that these alterations were favourable for pensioners. This focus, however, fails to acknowledge that something different may have occurred when the provisions were implemented.

\* \* \* \* \*

Between 1902 and 1908, the second Registrar of Old-age Pensions, James Eman Smith, was the driving force behind creating a more thorough investigation process in order to select the truly deserving. In this period, in particular, the role of personality was significant in determining the impact of old-age pensions policy. The methods Smith employed and the effects of his actions constitute the bulk of this chapter principally because it demonstrates the critical role of administration and individuals, and provides an important insight into the nature of government in the early twentieth century.

Smith was a significant force for a number of reasons. He was in the public service in a period when the bureaucracy in



James Eman Smith

Source: Earle Andrew Collection, WTU.

general was expanding. From the late 1880s through until around 1914 major changes were occurring in the New Zealand public service. Considerable expansion took place in the number of departments, laws and personnel. In his study of public service reform, I. S. Ewing demonstrates that between 1893 and 1904 the number of government departments grew by over 50 percent, from 14 to 23. Furthermore between 1896/7 and 1912/3 the total number of staff increased by 136 percent, most notably in the Railway and Post and Telegraph Departments.<sup>1</sup>

Such change was not only quantitative but also qualitative. Peter Gibbons suggests in his MA thesis on the Labour Department that this expansion produced a "new intensity" in bureaucracy, particularly in the new departments of the Liberal period. The shift from the local control of pre-1890 to a centralised powerful bureaucracy, and the social philosophies of the men appointed to high positions in head offices, are seen by Gibbons as the crux of qualitative change.<sup>2</sup>

While considerable expansion occurred in certain parts of the public service, Margaret Tennant suggests that both in terms

-----

- 1 I. S. Ewing, "Public Service Reform in New Zealand, 1866 - 1912", MA thesis, (Auckland, 1979), pp.18, 22 and 53.
- 2 Gibbons, pp.101-102.

of expenditure and staff, the state welfare bureaucracy grew relatively little.<sup>3</sup> Nonetheless, those involved in welfare administration were touched by the transformation of bureaucratic practice. Growth of the Old-age Pensions Department illustrates some of these broader changes, particularly in the shift from local to central control, and in the expansion of areas of responsibility and staff.

As the new Registrar, Smith headed the Old-age Pensions Department at a time when a new and expanding bureaucracy was exploring its power. This atmosphere enabled him to seek stronger central authority, in an effort to overcome the weakness of the Registrar's position. Furthermore, he pursued policy change both through official and unofficial channels. At times this produced procedures and results that even the policymakers had not envisaged.

In addition to the changing nature of bureaucracy, it seems likely that Seddon's style of administration in this period made it relatively easy for an energetic Smith to maximise his share of power. Alan Henderson, in his study of public service reform, suggests that Seddon's later premiership temporarily halted

-----

3     Tennant, Paupers and Providers, p.39.

aspects of the reform process, because of his desire to retain control.<sup>4</sup> For instance, Seddon preferred a system of petty patronage where civil service appointments were concerned, rather than a more formal entrance procedure. As a consequence, aspects of the new growing bureaucracy were not particularly systematic, and it seems probable that this would have encouraged administrative discretion amongst more ambitious officials.

Henderson also suggests that Seddon was reluctant to delegate power, even to members of his own Ministry.<sup>5</sup> This meant he carried a huge workload. By 1902 when Smith was appointed Registrar of Old-age Pensions, Seddon was not only Premier but also Colonial Treasurer, the Minister of Labour and of Defence. In his biography of Edward Tregear, head of the Labour Department at this time, Kerry Howe suggests that because of Seddon's workload Tregear enjoyed a measure of freedom.<sup>6</sup> It seems probable that Smith also enjoyed a similar freedom. Moreover, the Old-age Pension Department was minute,

-----

4 A. Henderson, The Quest for Efficiency, (Wellington, 1990), p.21.

5 *ibid.* Also see R. M. Burdon, King Dick - A biography of Richard John Seddon, (Christchurch, 1955), pp.138-144.

6 K. R. Howe, Singer in a Songless Land - A Life of Edward Tregear 1846 - 1931, (Auckland, 1991), p.116.

and the provision irrelevant to the majority of elderly. Old-age pension administration was a minor part of total government activity, but the primary focus of Smith's world.

Not only were circumstances favourable to someone like Smith, but his energetic and persistent personality was crucial in exploiting the opportunities. Unfortunately little biographical detail has survived about Smith's life, possibly because he remained a bachelor and had no successors. He was born in June 1861 and was educated in Wellington. In 1880 he entered the New Zealand Public Service, and nineteen years later had risen to the position of Chief Clerk in the Colonial Treasurer's Office. In 1902, Seddon appointed Smith as head or Registrar of the Old-age Pensions Department.

Smith brought a decidedly punitive attitude to old-age pensions - an approach that rings of Duncan MacGregor's rather draconian views of charitable aid. Classification of the poor into classes of deservedness was a feature of the 1898 Act which Smith administered keenly. He took particular delight in the disciplinary functions of the scheme, and repeatedly aired the view in the Department's annual report to Parliament that strict administration was crucial in protecting the "truly deserving".



Anything less would allow "the darker side of human nature" to predominate.<sup>7</sup> As a result Smith stressed that "sentiment" had no place in the pension scheme.<sup>8</sup>

Smith was undoubtedly the most colourful of those who headed the pension administration between 1898 and 1939. His type of personalized, empire-building was not particularly unusual at this time. Duncan MacGregor as Inspector-General of Hospitals and Charitable Institutions between 1886 and 1906 was another official who strove to overcome a lack of statutory power by pursuing unofficial as well as official influence. However, this type of administration was on its way out. When Sir Joseph Ward succeeded Seddon as Premier in 1906 he pushed for more systematic control of the civil service. From this time, personality is less evident in government administration.

While Smith was not as dynamic a figure as either Duncan MacGregor or Edward Tregear, in the few years of his leadership he stamped a lasting impact upon pensions, and established that considerable power lay with administrators rather than legislators. Not only did he prove a driving force in pension policy, but he

-----

7 Annual Report of Old-age Pensions Department, AJHR, 1904, H-18, p.1.

8 *ibid*, 1905, H-18, p.11.

also significantly tightened the scheme's administration.

\* \* \* \* \*

Smith first focussed his attention upon tightening control of the pensions system. Upon his appointment in 1902, Smith set about creating a new set of regulations designed to close what he saw as a number of loopholes. His major concern was the investigation process, and his success here was the single most effective way he undercut any sympathetic tendencies of legislators. Furthermore, Smith's use of regulations was a clever means of both increasing and exerting his power, because if the procedures outlined below had been introduced through amending legislation, that process would have invited open scrutiny of the changes he wanted. In contrast, the use of regulations meant the majority of politicians were unaware of them until they were tabled in the House.

Under the 1903 regulations an even more inquisitorial system was introduced than that included in the 1898 Act. The new regulations specified that the applicant answer a preliminary set of questions before the deputy-registrar. This official was then required to confirm the answers by pursuing several specific

inquiries, including an investigation for each applicant regarding tax, savings, earnings, spendings, property and character. On top of this, reports were also required from the claimant's bank and the police. Only when these had been completed would the claim be placed before the Magistrate for his decision.<sup>9</sup>

The significances of Smith's tighter procedures were multiple. The new system enabled each deputy-registrar to spend more time investigating claims, because many of the mechanical administrative responsibilities were now transferred to Head Office. Relieving deputy-registrars of some of their clerical workload also served to make Head Office an integral part of the detailed administration process for the first time. By transferring the issuing of pension certificates to Head Office, the Registrar was no longer faced with a *fait accompli* because he was now in a position to query a local decision before issuing a certificate which enabled payment to the individual. One set of regulations shifted the power dynamics subtly but surely in the direction of the Department.

-----

9 Regulations under the Old-age Pensions Acts, 1898, 1900, 1901 and 1902, The New Zealand Gazette, 1903, Vol.1, pp.500-514.

This shift was crucial to Smith's attempts to establish a stronger central position from which some sort of loyalty could be commanded. While local officers remained employees of the Justice Department, the deputy-registrar nevertheless did act as the Old-age Pensions Department's representative. As a consequence more investigative power in the hands of these officials was a potential avenue of influence for Smith, or at least more so than when the process of investigation had lain solely with the Magistrates.

By pushing certain initiatives Smith set about establishing a greater power base from which to act, and in this sense was a bureaucratic empire-builder. The change of procedure regarding the issuing of pension certificates meant that more staff were required to aid Smith at Head Office in Wellington. In Smith's six year term as Registrar the cost of salaries rose from 10 to 70 percent of administration expenses, and central staff numbers increased from one to fourteen.<sup>10</sup> Smith's campaign increased the scope of Head Office's involvement through new procedures, forms and staff.

-----

10    Annual Report of Old-age Pensions Department, AJHR, 1900-1908, H-18.

The new investigation system had a significant effect upon the number of people who became old-age pensioners. In 1904 Smith recorded gleefully in his annual report that the number of new pensions granted in the previous year had dropped to 27 percent of the population eligible by age and residence, and enabled a saving of £6976 in the 1903/04 financial year. He also reported that this was a major reduction from 37 percent in 1903 and 43 percent in 1902.<sup>11</sup> This shrinkage meant the percentage of new claims lodged that were rejected had increased. In 1900 0.6 percent of new claims were rejected and by 1904 this had jumped to a huge 20 percent.<sup>12</sup>

Furthermore, rigid application of the new procedure secured a drop in the actual number of pensioners, for it provided not only a means of containing the growth in pensioner numbers, but also more searching inquiry to expose those who could be removed from the pension roll. Table 2.1 demonstrates the changes experienced from 1903 when the scheme became operational.

Recovering pensions "wrongfully" obtained was an area on which Smith focussed. Immediately upon his appointment in April 1902

-----  
11    ibid, 1904, H-18, p.1.

12    ibid, 1900, H-18, p.1 and 1904, H-18, p.7.

Table 2.1: Net changes to Old-age Pension Roll, 1900-1905.

Year	Number of Pensions in Force	Net Increase/Decrease
1900	11,285	+3,482
1901	12,406	+1,120
1902	12,776	+ 372
1903	12,481	- 295
1904	11,926	- 555
1905	11,770	- 156

Sources: Annual Report of Old-age Pension Department, AJHR,  
1900-1905, H-18.

he began expelling pensioners from the roll. Only five months later he reported to the Colonial Treasurer that in this time he had already recovered £300 in Court. This had been achieved by inquiring into 105 pensioners, resulting in 56 individuals being struck off the roll. He had stopped payment to the remaining 49 pensioners while enquiries were made, and he was confident that the majority of these would also be "struck off the books".<sup>13</sup> Unfortunately, it is not clear on what grounds these pensioners were removed from the roll.

With the introduction of the regulations in 1903 Smith found it even easier to "purge" the rolls of those he considered undesirable. Evidence of this lay in the rapid increase in cancellations. In 1900 only 0.6 percent of pensions then being paid were cancelled. Under Smith's regime this rose to the highest point ever, reaching nearly 6 percent in 1904. In this year, removal of pensioners who were found to be ineligible enabled a recovery of £2349.<sup>14</sup>

Such results prompted praise in some quarters. One newspaper

-----

13 J. E. Smith, to Colonial Treasurer, 5 August 1902, OAP A14, NA.

14 Annual Report of Old-age Pensions Department, AJHR, 1904, H-18, p.2.

endorsed Smith's methods, asserting that such a performance should be "warmly congratulated".<sup>15</sup> Smith was also commended for his vigilance and tight fiscal control in the House of Representatives, although less favourable undertones about too rigid an administration can also be detected.<sup>16</sup> In contrast, pensioners appear to have been silent, at least in public.<sup>17</sup>

Smith's motivation was not only to "protect the deserving" and build his bureaucracy, but included cost containment. He expressed this quite openly:

It should be borne in mind that where there is a large sum of money to be had by application, the greatest care must be given to all claims. If due attention were not paid to this searching examination, the amount payable under the Act would quickly assume large proportions.<sup>18</sup>

Restricted eligibility was an effective cost containment device, and was hotly debated in the House of Representatives during the passage of the 1898 Act. The rapid growth of an elderly

-----  
15    Newsclip, OAP 1904/A7, NA.

16    NZPD, 128(1904), p.768(J.C.Thomson), p.723 and 129(Smith), and p.94(Wilford).

17    Pensioner complaints are not evident in the Department files at this time. Letters to the Editors of both the New Zealand Herald and Otago Daily Times provide little clue to pensioners opinion at this time.

18    Annual Report of Old-age Pensions Department, AJHR, 1903, H-18, p.1.



population prompted fears that cost would easily get out of control. In 1864 only 6 in every 1,000 of the population were sixty-five years or over. Quite suddenly in the 1880s and 1890s the colonial population began to age. By 1896, 29 in every 1,000 were sixty-five years or over.<sup>19</sup> Such growth in the size of New Zealand's elderly population was alarming to many, and even though the proportions who were elderly remained much smaller than in the Old World, New Zealand seemed nonetheless to be rapidly heading in that aged direction.<sup>20</sup>

In this context, Smith's concern about economy and efficiency was understandable and bears a striking parallel with government aims in the 1990s. However, by comparison with older European countries New Zealand's number of elderly was - and is - still very small. European countries in the late nineteenth century commonly had in the region of 50 or more persons over sixty-five years of age in every 1,000 population.<sup>21</sup> New Zealand was also

-----  
19 Census, 1896, p.37.

20 By 1891 the number of persons over the age of 65 was in the region of 45 per 1000 head of population in Great Britain, see B. R. Mitchell, British Historical Statistics, (Cambridge, 1988), pp.15-16.

21 See for example, B. R. Mitchell, European Historical Statistics 1750-1970, (London, 1975), pp.33-37. Denmark in 1880 had as many as 62 over sixty-five year olds to every 1000 persons. By 1890 this had risen further to 70 in every 1000 head of population. Similarly in 1880 Germany had 47 over sixty-five year olds to every 1000 persons. By 1890 this figure had risen to 51 in every 1000 head of population.

an affluent society by contemporary standards, and the 1898 Old-age Pensions Act seems a particularly cautious experiment, and Smith's concern somewhat over zealous and misplaced.

Smith's reform did not end with the new investigation system. He next turned his attention to other areas of the scheme which he considered weak, including the age qualification clause of the 1898 Act. Smith maintained that the "loose provisions of the law" had enabled much abuse, since no corroborative evidence of age was necessary except in the case of Maori applicants.<sup>22</sup>

Condemning such declarations as "absolutely valueless", Smith sought to rectify what he saw as a glaring deficiency by issuing yet another investigation form.<sup>23</sup> Form A was designed to determine proof of each applicant's age. But in this Smith overstepped his statutory powers. By simply issuing forms, and distributing them to each deputy-registrar, Smith had blatantly ignored one of the Act's provisions, because the Act specified that all regulations governing the old-age pensions scheme were to be placed before the House of Representatives to be referred to Committee. This procedure

-----

22 Annual Report of Old-age Pensions Department, AJHR, 1904, H-18, p.2.

23 *ibid.*

was not followed, and when the matter of regulations being withheld from the House was raised, it also became obvious that this procedure had been disregarded when the tighter investigation system was introduced under the 1903 regulations.<sup>24</sup>

Despite murmurings in the House about "oppressive" regulations, Form A was integrated into the investigation carried out by each deputy-registrar, and it expanded further the Department's ability to demand information from other departments. Under the 1898 Act all records relating to Land, the Courts and Valuation and personal records could be examined. The 1900 regulations extended this to the Native Land Court and Stamp records. Smith's new regulations now also meant that the Registrar-General's Office could be called upon to determine an applicant's age at marriage, or age at becoming a parent if a baptismal certificate could not be produced. Immigration and Customs records provided another avenue of inquiry, since they recorded each immigrant's age.

When sources within the Colony failed, officers of the Department were to then turn to the Agent General's Office in London to continue the investigation. This procedure remained in place for many years. As late as February 1933, for

-----

24 NZPD, 132(1905), p.630(Moss).

instance, some twenty-five names of old-age pension claimants were forwarded to the New Zealand High Commission in London for proof of age, and the volume of surviving forms suggests that this was normal for the 1930s.<sup>25</sup>

Smith was particularly keen to prove that his investigation scheme was successful. His annual reports presenting the shrinkage in the pension roll is evidence of actual results. However, Smith wanted further endorsement and wrote to every Stipendiary Magistrate who was adjudicating pension applications, asking for their response to the scheme. The majority welcomed the lightened workload, and one found the new system "searching and complete".<sup>26</sup> Smith's emphasis of the Act's disciplinarian and inquisitive aspects was thus ratified, and he concluded that thorough investigations were "absolutely necessary to act as a warning to others".<sup>27</sup>

\* \* \* \* \*

In his campaign to win power, Smith pushed his agenda in many

-----

25 See OAP H5, NA.

26 Annual Report of Old-age Pensions Department, AJHR, 1904, H-18, p.4.

27 *ibid*, p.8.

ways and on many fronts. He policed pensioners who were on the roll legitimately with as much zeal as he did when purging the "undesirables" from it. In particular, he set about mediating pensioner behaviour by emphasizing the forfeiture clauses and penalties for offences like drunkenness. Smith administered these keenly, and went beyond the powers conferred to him by statute in his attempt to establish central control.

In policing how pensioners spent the pension, Smith focussed his attention particularly on drunkenness, which suggests strongly that he had a moral agenda. His concern about sobriety was one he did not stress in his annual reports other than in general allusions to protecting the deserving, perhaps so as to prevent parliamentarians scrutinizing his actions. However, Old-age Pension Department files reveal a meticulous and concerted effort on his part to catch and record pensioners indulging in drink. Smith apparently compiled a "Black List" of drink convictions amongst pensioners, though it has not survived.<sup>28</sup> By compiling this "list", Smith hoped to aid local officials who could then draw the presiding Magistrate's attention to previous drink convictions when a pensioner's certificate was due

-----  
28 See SS7 9/4/4, NA.

for its annual renewal.<sup>29</sup>

Smith put considerable effort into gathering information about deviant pensioners. He requested that the Commissioner of Police regularly send him the section of the New Zealand Police Gazette dealing with convictions.<sup>30</sup> Furthermore he wrote to many local officials in the following vein:

It has been reported to the Department on more than one occasion that on pay day in your town old-age pensioners are in the habit of misspending their money in drink. Will you kindly furnish me with a report on this matter.<sup>31</sup>

Evidence of these supposed complaints are hard to find in Smith's file, but this technique of requesting what he called "Special Reports regarding Drunkenness" provided him with much information. It did little to enhance central-local relations.

For instance, the deputy-registrar of Naseby hotly denied Smith's charge that pensioners had been drinking in his district.<sup>32</sup> The deputy-registrar of Thames also responded sharply to Smith's request for a drunkenness report, warning

- 
- 29 Smith to Deputy-Registrar, Christchurch, 30 August 1902, SS7 9/4/4, NA.
  - 30 Smith to Commissioner of Police, 17 February 1905, SS7 9/4/4, NA.
  - 31 Smith to Deputy-Registrar, Thames, 10 December 1903, SS7 9/4/4, NA.
  - 32 OAP Letterbook 1902-08, (2016), 11 April 1904, DU:HO.

that individuals who made such complaints were usually unwilling to substantiate them, and were unaware that any drunkards had already been "weeded out".<sup>33</sup> Four separate police reports stressed this, as each stated emphatically that drunkenness was not characteristic of the pensioners in the Thames district.<sup>34</sup> Smith replied to this in placatory fashion, but made a point of conveying the authoritarian approach he expected of his officials by reminding the deputy-registrar not to "allow" pensioners to spend their money in drink.<sup>35</sup>

Not only did Smith's vigilance regarding drunkenness cause tension with local pension officials, but it also triggered confrontations with members of the Magistracy. Magistrates acted repeatedly as champions of the elderly, by failing to adopt the Department's rather draconian line concerning drink. In terms of policy implementation theory these clashes represent a clear example of the "street-level bureaucrat" being subject to conflicting pressures - the demands of central administrators trying to establish a certain policy direction, and the

-----  
33 Deputy-Registrar, Thames to Smith, 15 December 1903, SS7 9/4/4, NA.

34 Report of Constable Blake, Thames, 14 December 1903; Report of Constable H. Bedder, Shortland, 15 December 1903; Report of Constable J. S. Reid, Thames, 15 December 1903 and Report of Constable Butler, Thames, 15 December 1903, SS7 9/4/4, NA.

35 Smith to Deputy-Registrar, Thames, 10 December 1903, SS7 9/4/4, NA.

pressures of face-to-face contact with claimants. Hill suggests that this produces the "two faces" of the street-level bureaucrat, which shows themselves either in the adaptation of the policy to the needs of the public, or in the manipulation of policy in the direction of petty tyranny.<sup>36</sup> Smith's efforts to overcome the sympathetic administration of some Magistrates, and to direct their decisions, was yet another part in his struggle to gain central control and wrestle the decision making power from these officials.

In one such confrontation in 1903, Smith went beyond his statutory powers in an effort to overturn a Magistrate's decision. The case concerned a pensioner, Alexander Milne, who had nine convictions for drunkenness. The Magistrate refused to cancel Milne's pension certificate on the grounds that he was unauthorised to do so, since the court convicting an individual of drunkenness could alone cancel a certificate. Smith disagreed, asserted that the Magistrate could cancel the certificate, stopped Milne's pension, and requested Seddon's approval.<sup>37</sup>

Seeking further endorsement of his action, Smith then referred

-----  
36 Hill, pp.99-100.

37 Smith to Seddon, 4 February 1903, SS7 9/4/4, NA.



the case to the Solicitor-General for his legal opinion. However, the Solicitor-General ruled firmly that the Magistrate of the convicting court alone had the power to review the circumstances under which the pension was granted.<sup>38</sup> For Smith this meant that he would have to wait for Milne's certificate to come up for renewal, when it could be cancelled legally on the basis that he had not led a sober and reputable life in the previous five years. It is unclear whether Smith acknowledged his defeat and reinstated the stopped payment.

This defeat in influencing a Magistrate's decision reveals that despite his success in introducing new forms and procedures, there were limits to Smith's power. However, he did not take defeat lightly and responded with a new tactic - invoking a higher authority in an effort to get his actions and interpretations of the Act endorsed. This occurred repeatedly over the issue of drunkenness. In March 1903, for instance, Smith wrote to Seddon requesting his approval to stop payment to two pensioners in the Dunedin district, Francis Halliday and Mary Robinson, for leading for what he termed

-----  
 38 Smith to Solicitor-General, 11 May 1903 and Solicitor-General's note, 12 May 1903, SS7 9/4/4, NA.

"drunken and immoral lives".<sup>39</sup> Smith justified this request on the basis of the Magistrate's absolute refusal to act before the certificate came up for renewal. It is unclear if he was successful in this case.

Later in 1903 Smith clashed with William Haselden, the Magistrate for the Christchurch district, who had refused to cancel the certificate of Mary Kennedy, a known drunkard, and had instead ordered that the pension be paid to a relative.<sup>40</sup> Smith's frustration at the sympathetic leanings of the Magistrates was summed up in a memo to the Colonial Treasurer, when he remarked that "Magistrates are as a rule, too lenient with pensioners who misspend their pensions in drink chiefly because they order the appointment of an agent or forfeiture of just one or two instalments".<sup>41</sup>

Having experienced great difficulty in establishing central control over many Magistrates, Smith turned his attention to the handling of drink cases by local deputy-registrars. This time he used individual letters to suggest appropriate actions. For instance, in 1905 he wrote to the deputy-registrar of

-----

39 Smith to Seddon, 30 March 1903, OAP 1908/A36, NA.

40 Smith to Seddon, 16 December 1903, SS7 9/4/4, NA.

41 Smith to Colonial Treasurer, 22 September 1906, SS7 9/4/4, NA.

Carterton instructing him to bring "one or two" pensioners before the Magistrate, on the grounds that they are wasting their money in drink, "by way of an example to others".<sup>42</sup> Unfortunately such an unsystematic approach makes it difficult to determine if this tactic was widespread or successful.

In another case Smith personally endorsed the swift action of the deputy-registrar in Wanganui when he brought cases of drunkenness before the Magistrate for dismissal in 1905. The incident prompting this involved four pensioners who went on a drinking binge during which one died. By notifying the police of the death, the pensioners exposed themselves as drunk.<sup>43</sup> C. A. Barton, the local deputy-registrar of pensions, immediately brought the cases before the Magistrate, resulting in two cancelled pensions.<sup>44</sup> Smith was delighted with Barton's handling of this incident, claiming that "it is this class of character that brings discredit to the old-age pension scheme and it is imperative that the pension roll of the Colony be purged of such undesirables".<sup>45</sup>

-----

- 42 Smith to Deputy-Registrar, Carterton, 29 September 1905, SS7 9/4/4, NA.
- 43 Report of Sergeant S. P. Norwood, 10 January 1905, SS7 9/4/4, N.
- 44 Evening Post, 11 January 1905, SS7 9/4/4, NA.
- 45 Smith to C. Barton, Wanganui, 18 January 1905, SS7 9/4/4, NA.

It seems likely that Smith's attention to the morality of old-age pensioners was encouraged by newspapers, which often commented upon the sort of situation he chose to monitor. A Letter to the Editor of the Evening Star in March 1905, for instance, expressed the opinion that it was "a common practice" for many old-age pensioners to spend their pensions in public houses and have "a good carousel" on pay day.<sup>46</sup> The Dunedin Star also contained criticism of the drinking habits of pensioners, asserting that this was appalling while the sober part of the community "toil and stint themselves to pay pensions which ultimately go in the publicans till".<sup>47</sup>

It is somewhat surprising, then, that by 1907 a shift in public sympathy regarding pensioners and drink had occurred, particularly in a period when Prohibitionist support was growing rather than diminishing. One case was pivotal to the relaxation of the penalty for drunkenness, and involved a newspaper report which claimed that a pensioner in his eighties was "run in" for drinking and falling asleep in a public place. On this basis his pension was cancelled, effectively barring him from the pension for a further five years in order to meet

-----  
46 Evening Star, 20 March 1905, SS7 9/4/4, NA.

47 Dunedin Star, January 1903, SS7 9/4/4, NA.

the Act's requirement of sobriety and respectability. In response, a member of the House of Representatives asserted that depriving pensioners for five years because of drunkenness was an "inhuman practice".<sup>48</sup> Reports followed denouncing "puritanical authorities" who imposed an effective fine of £130 (which represented the five years of cancelled pension).<sup>49</sup> A member of the Legislative Council asserted that the action was "infamous", and condemned the requirement of sobriety as a "blot on the statute book".<sup>50</sup>

Despite Smith's previous attempts to monitor the morality of pensioners, he was finally defeated in this particular aspect of his campaign. In 1908, as a result of this case, an amendment was passed which made the requirement for moral and sober living apply to the year preceding application rather than to the previous five years. It seems ironic that Smith was beaten in this instance, because for once he had acted in accordance with the law. The pensioner whose case triggered the amendment had numerous previous convictions for drunkenness, and an agent to receive his pension had been already appointed in

-----

48 Evening Post, 7 August 1907, SS7 9/4/4, NA.

49 Newsclip, 1907, SS7 9/4/4, NA.

50 New Zealand Times, 10 April 1908, SS7 9/4/4, NA.

1905.<sup>51</sup> Even so, public opinion found little to favour in such rigid application of the Act's provisions. The Observer, for instance, accused one Magistrate of interpreting the requirement of moral character narrowly.<sup>52</sup> It is also ironic that the Magistracy rather than Smith bore the brunt of criticism, when only a couple of years earlier Smith had been frustrated by many of these men who acted as champions of the elderly over the issue of drink. Drunkenness did not receive such attention again.

\* \* \* \* \*

Smith crossed swords with Magistrates over issues other than drink in his effort to get these men to adopt the Department line. In 1908, for instance, Victor Grace Day, the Stipendiary Magistrate for Kaiapoi, expressed his anger when Smith refused to issue a pension certificate which he had approved.<sup>53</sup> Day had granted a pension to a Malay-born man, who was both a British subject and a naturalized New Zealander. Smith rejected this decision on the grounds that this individual

-----

- 51 Deputy-Registrar's note, Auckland, 4 February 1908, SS7 9/4/4, NA.
- 52 The Observer, 2 May 1908, SS7 9/4/4, NA.
- 53 V. G. Day to Smith, 25 January 1908, SS A2, NA.

was an Asiatic.

This case quickly led to a power struggle. Day reminded Smith that it was the Registrar's duty to carry out the Magistrate's decision, and not to appoint himself "Court of Appeal", and threatened to take the matter to Smith's superior if the certificate was not issued.<sup>54</sup> However, Smith was used to such battles, and laid the case before the Prime Minister, inferring that Day was far too soft and had a history of granting pensions to Asiatics.<sup>55</sup> The Department's view prevailed, for the 1908 Old-age Pensions Amendment Act effectively tightened the eligibility criteria by introducing the clarifying proviso that Chinese and Asiatics were excluded even if naturalized British subjects by birth.

Smith's constant interference in Magistrates' decisions strained central-local relations. The deputy-registrar for Christchurch suggested to Smith in 1903 that the department made a mistake in interpreting the Act for Magistrates because "they resent our interference".<sup>56</sup> Smith was unmoved and failed to see how

-----  
54    ibid.

55    Smith to Prime Minister, 29 January 1908, SS A2, NA.

56    L. Williams to Smith, 10 June 1903, OAP I6, NA.

"any Magistrate would object to your carrying out your lawful duties".<sup>57</sup> However, the Magistrate for Christchurch, Haselden, clearly objected to efforts to make him accept the Department's calculation of pensioner income. Haselden refused "to allow the department to interpret the Act for him".<sup>58</sup>

Despite such tension Smith had considerable success in attaining the cooperation of Magistrates' regarding race. Smith embraced wholeheartedly the concerns about Maori applicants which had been voiced in Mason's era, and took further action. In a letter to deputy-registrars in 1902, Smith expressed the opinion that because of "the neglect shown by native pensioners to draw their pensions, the Department has come to the conclusion that a large number of natives are drawing pensions who do not really require them".<sup>59</sup> It is unclear whether there was any truth in his claim about failure to collect the pension, but he used it as a justification for these officials to prevail upon the Magistrates to "refuse to grant a renewal". In 1903, in a draft annual report, Smith went even further, proposing that it might "be better

-----

57 Smith to Williams, 16 June 1903, OAP I6, NA.

58 Williams to Smith, 20 July 1903, OAP I6, NA.

59 Smith to Deputy-Registrars, 1 September 1902, OAP 190 /N4, NA.



to remove Maori pensioners from the pension rolls".<sup>60</sup>

Smith pursued this aim. In 1903 he wrote to the Chairmen of the various Maori Councils requesting assistance in preventing younger members of the tribe spending the pension, and in identifying which Maori pensioners were in receipt of the pension but in no need of it.<sup>61</sup> The response was cooperative, and in one instance prompted a visit from the Chairman of the Raukawa Maori Council who informed Smith that several Maori had no need for the pension and immediately spent it on drink.<sup>62</sup> Smith also travelled to Rotorua to attend a meeting of the Tamatea Council to gain the support of leading Maori in keeping Maori off the rolls who were not in need. With or without these Councils' help, Smith's interest in this matter contributed to the dramatic fall in the proportion of Maori receiving the pension, from approximately 65 percent in 1901 of those eligible by age down to about 36 percent in 1906.

Attempts to limit pensions to Maori also saw Smith promote

-----  
60 Draft Annual Report of Old-age Pensions Department, OAP 1904/A7, NA.

61 Smith to Chairmen of each Maori Council, 26 October 1903, OAP 1904/M12, NA.

62 Smith to Deputy-Registrar, Otaki, 13 November 1903, OAP 190 /N4, NA.

an unofficial policy which was both enduring and far reaching. Smith adopted the decision of Thomas Hutchinson, the Magistrate in New Plymouth, whereby the amount of pension for Maori was reduced to 66 percent of the maximum rate, or £12, even though the financial position of the applicant entitled him or her to the full pension.<sup>63</sup> When the maximum rate of pension increased to £26 in 1905, the unofficial rate for Maori pensions was raised to £18.

This policy had little legal basis, and in consequence Smith pushed his policy by writing individual letters to deputy-registrars, rather than by issuing circulars which he used to promote the official stance of the Department. By 1905 Smith was promoting the lower Maori pensions by stressing:

that in some parts of the Colony, Magistrates are now granting to natives a maximum pension of £18 stating that in their opinion such a sum is sufficient for the support of a native....I am in accord with this view, and shall be glad if you will respectfully bring this letter before the Stipendiary Magistrate.<sup>64</sup>

Urging Magistrates to reduce the rate of Maori pensions on the

-----

63 Deputy-Registrar, New Plymouth to Smith, 17 December 1904, SS7 9/9/1, Part 2, NA.

64 For example, Smith to Deputy-Registrar, Havelock, 17 October 1905, SS7 9/9/1, Part 2, NA.

basis that other Magistrates were doing so was a successful tactic employed by Smith to manipulate these men. Evidence of this lay in the flow of letters to his office by 1906 reporting, for instance, that Magistrates "quite fell in with your views and only granted £18 to Maoris".<sup>65</sup> Occasionally a Magistrate would "not see his way clear to discriminate between Maoris and Europeans".<sup>66</sup> However, by 1907, nearly 40 percent of the Magistrates handling Maori pension claims can be traced as granting reduced pensions and at least 10 percent of Maori pensions were at the lower rate by this time.<sup>67</sup>

\* \* \* \* \*

Smith's hunger for power did not focus exclusively upon controlling local officials. He also sought to extend his influence over other government departments, and this caused further confrontations and illustrates again the limits of his power. For instance in 1904 Smith was trying to determine

-----

65 Deputy-Registrar, Port Awanui to Smith, 13 March 1906, SS7 9/9/1, Part 2, NA.

66 Deputy-Registrar, Whakatane to Smith, 14 August 1906, SS7 9/9/1, Part 2, NA.

67 "Amounts granted to Natives by Magistrates" and Smith to Prime Minister, 28 November 1907, SS7 9/9/1, Part 2, NA.

whether Cornelius and Elizabeth Dixon of Masterton had wrongfully obtained their pensions, and asked the Government Insurance Department to furnish details of the couple's life annuity policy. Luckie, the Deputy-Commissioner of that Department, questioned the Old-age Pensions Department's authority in "extorting information" about pensioners' finances.<sup>68</sup>

Not to be outdone, Smith demanded that he be supplied with the names, occupations and addresses of everyone drawing annuities from the Government Insurance Department, and prompted a complaint to Seddon.<sup>69</sup> When the Solicitor-General provided his assessment, he concluded that Smith's "demand goes too far".<sup>70</sup> To further frustrate Smith, the Magistrate adjudicating the Dixons' claim maintained that their pensions had not been improperly obtained, and the deputy-registrar agreed with this.<sup>71</sup>

Smith once again overstepped his power and informed Seddon that the Magistrate was wrong and that he was therefore withholding

-----

68 D. M. Luckie to Smith, 22 October 1903, OAP 1904/A5, NA.

69 Smith to Commissioner, Government Life Insurance Department, 25 October 1902 and Commissioner, Government Life Insurance Department to Seddon, 3 November 1902, OAP 1904/A5, NA.

70 Solicitor-General's opinion, 15 November 1902, OAP 1904/A5, NA.

71 Newsclip, 18 December 1902, OAP 1904/A5, NA.

the Dixons' pensions, and complained bitterly that there was no uniformity among Magistrates regarding the handling of life interests in the computation of accumulated property.<sup>72</sup>

Smith had more luck in exerting control in his relationship with the Police Department. In 1902 it was stated in the New Zealand Police Gazette that any member of the force who incurred expenditure while reporting on old-age pensioners should forward a claim to the local deputy-registrar, who would refer it to the Registrar for payment.<sup>73</sup> Smith, however, was not prepared to have any procedure dictated to him by another department. In a memo to all deputy-registrars Smith stated that before a police officer incurred expenses in relation to old-age pensions his authority had to be obtained.<sup>74</sup>

Such a procedure meant that approval for expenses like horse hire and feed, or bicycle hire and tyres, caused delays not only for the police officer but also the pension applicant. In 1905, for example, Constable George Charters of Masterton

-----  
72 Smith to Seddon, 23 December 1902, and 16 January 1903, OAP 1904/A5, NA.

73 Extract: The New Zealand Police Gazette, 1902, p.71, SS7 9/4/2, NA.

74 OAP Department Circular, No.14, 1 September 1903, SS7 9/4/2, NA.

waited nearly three weeks for approval to spend just twenty pence.<sup>75</sup> Cases which involved more expenditure had even less chance of approval. In 1908, Sergeant Watt of Rotorua was to report on pensioners living at Mokoia Island, and requested approval of £1 expenditure to hire a launch to visit the island. Smith rejected this claim and suggested that Watt complete the reports when he next visited the island on police business. Watt, however, only went to the island once a year, and resolved this problem by using his own boat in rowing over to prevent unnecessary delay.<sup>76</sup> Smith had established some power, because he successfully had these men doing pension work for his Department while he conceded very little.

\* \* \* \* \*

Smith's rather punitive attitude dominated pensions administration in this period, but on occasions he revealed a more compassionate face. For instance, after visiting charitable institutions in

- 
- 75 Deputy-Registrar, Masterton to Smith, 20 May 1905;  
G. Fache to Smith 23 May 1905; Smith to Fache 26 May 1905;  
Deputy-Registrar, Masterton to Smith, 31 May 1905 and  
Smith to Deputy-Registrar, Masterton, 6 June 1905,  
SS7 9/4/2, NA.
- 76 Deputy-Registrar, Rotorua to Smith, 10 February 1908;  
Smith to Deputy-Registrar, Rotorua, 19 February 1908  
and Deputy-Registrar, Rotorua to Smith, 9 March 1908,  
SS7 9/4/2, NA.

which approximately 600 old-age pensioners resided, Smith repeatedly voiced his concern that the "necessary care and attention" was provided by the governing bodies.<sup>77</sup> In 1904 Smith recorded in his annual report that the Old People's Home in Nelson where some thirty pensioners lived was full of vermin.<sup>78</sup> The following year, he reported that the Napier Home was even worse, and stated the opinion that the elderly should not reside in out-of-date wooden buildings.<sup>79</sup>

Even when he was impressed by some Homes, he did not miss the opportunity to suggest where improvements could be made. In 1906, for example, Smith noted that pensioners at the Jubilee Home at Woolston and the Tuarangi Home in Ashburton were well cared for and happy, and thus a credit to the North Canterbury Charitable Aid Board which managed these institutions.<sup>80</sup> However, he still urged the North Canterbury Board to adopt the policy practised by most other Charitable Aid Boards of granting a small allowance to its pensioners.<sup>81</sup> Under the 1898 Act it had been provided that the pensioners in Charitable Aid Homes

-----  
77 Annual Report of Old-age Pensions Department, AJHR, 1905, H-18, p.7.

78 *ibid*, 1904, H-18, p.5.

79 *ibid*, 1905, H-18, p.7.

80 *ibid*, 1906, H-18, pp.5-6.

81 Smith to North Canterbury Charitable Aid Board, 12 March 1903, SS7 7/4/19, NA.

were to pay over the pension to the Home for the cost of their keep. The residue was to be paid to the pensioner. In most cases this was in the region of one shilling a week.<sup>82</sup> Smith urged similar practices upon the Thames and Coromandel Charitable Aid Board.<sup>83</sup>

Smith's concern for the physical wellbeing of pensioners in these homes was not simply passing. When he later worked as the Resident Commissioner in the Cook Islands he expressed similar concerns about the wellbeing of Islanders, and campaigned for better health services.<sup>84</sup> His regard for pensioners in Charitable Aid Homes was undoubtedly a reflection of his attitude toward entitlement. These individuals had weathered the selection process, and their willingness to submit to the authority of a Home meant not only that their deservedness was proven, but also that they were owed some care. Furthermore, these pensioners received so little of their pension that the risk of them misusing it was less than with other pensioners, and any improvements to their living conditions were expenses falling to the Charitable Aid Boards -

-----

82 "Amounts paid to Pensioners by Charitable Boards", OAP 1906/W7, NA.

83 Smith to Thames and Coromandel Charitable Aid Board, 26 September 1905, SS7 7/4/31, NA.

84 See Smith to Minister in Charge of Cook Islands, IT 3/3 1910/12, NA; and D. Scott, Years of the Pooh-Bah - A Cook Islands History, (Auckland, 1991), pp.113-123.



not Smith's department and budget.

\* \* \* \* \*

Like the legislators and local Magistrates, pensioners at times took action which successfully undermined Smith's quest for power. Some applicants responded to Smith's regime by meeting fire with fire. Between 1902 and 1908 a handful of pension claimants adapted the judicial nature of the application procedure to their own purposes, by appearing at the pension court to defend their claim accompanied by a solicitor. In 1903, for instance, a Christchurch woman, Ann Taylor, was attended in court by her solicitor so that he could contest on her behalf that while she was a life tenant of land she should not be treated as an owner as specified in the 1903 regulations. The Magistrate, Richmond Beetham, agreed with the solicitor and a full pension was granted to Taylor.<sup>85</sup>

Successful applications in the early cases of solicitor attendance posed a problem for Smith. In 1905 the deputy-

-----

85 Lyttleton Times, 27 April 1903 and Christchurch Star, 2 May 1903, OAP L4, NA.

registrar of Whangarei enquired to the Department whether the appearance of solicitors was "desirable" in pension cases.<sup>86</sup> Smith maintained that their attendance in court was "unnecessary", but it was a matter solely for the Magistrate to decide. Nevertheless, and predictably, Smith outlined the approach he preferred, stating that it was "practice" for Magistrates to "refuse to allow a Solicitor to appear on behalf of the claimant".<sup>87</sup> The evidence of this is difficult to find, and Smith's handwritten note on this reply suggests the contrary, for he recorded that yet another Magistrate, Alexander McArthur of Wellington, agreed to the appearance of solicitors in the pension court. When handling subsequent queries about the appearance of solicitors, Smith was more assertive. In individual letters to deputy-registrars he stated that " I shall be glad if you will object whenever a solicitor presents himself at an Old Age Pension Court".<sup>88</sup>

In an effort to avoid being penalized for their assets, other pensioners tried to "beat the system" by transferring property,

-----

86 Deputy-Registrar, Whangarei to Old-age Pensions Department, 14 March 1905, SS7 9/1/2, NA.

87 Smith to Deputy-Registrar, Whangarei, 23 March 1903, SS7 9/1/2, NA.

88 See for example, Smith to Deputy-Registrar, Reefton, 18 December 1905 and Smith to Deputy-Registrar, New Plymouth, 29 August 1906, SS7 9/1/2, NA.

in most cases to children. This came to the Department's notice in 1902, and provides an interesting insight for policymakers of the 1990s. Shedding assets was identified in the 1898 Act as a legitimate reason for exclusion from the scheme. However, the transfer of property to children by will was more complex, and reveals the limits of the Act and the Department in handling such cases.

Pensioners who transferred their assets were reacting to a new set of rules included in the 1900 Old-age Pensions Amendment Act governing the handling of property of married couples. Prior to October 1900 there was no special provision for this. This absence had caused problems, as individuals who were jointly wealthier than the limits set by the 1898 Act could still be granted pensions as individuals. For example, if a wife legally owned the couple's property, and the husband owed the debts (which was sometimes the case in an effort to protect against commercial or industrial accident), then even if the Magistrate knew the wife's property exceeded the £270 limit a pension could still legitimately be granted to the husband simply because the Act was silent about joint property.

Under the 1900 Amendment Act this anomaly was rectified. It was provided that the net capital value of husband or wife would be at least half the total net capital value of the accumulated property of both. This clause meant that one or both of the couple's pension could be reduced. For some this meant quite a loss. For instance, in 1902 Maria Day, a Christchurch pensioner, came to Smith's notice. In 1899 and 1900 Day had been granted a full pension but under the new rules her pension was reduced to £7 in 1901, because half her husband's property valued at £400 was now charged against her pension.<sup>89</sup>

Day's husband died in 1901 and left all his property to their children. Through this Maria once again became eligible for the full pension of £18. Smith maintained that this willing away of property evaded the intention of the Act. The Solicitor-General, however, could not help because in his opinion the Act did not impinge upon an individual's right to dispose of property at death.<sup>90</sup> On these grounds Smith dropped his case against Maria Day's increased pension, solely to avoid advertising this flaw. He also drafted a clause for inclusion in the 1902 Old-age Pensions Amendment Act to remedy this but

-----  
 89 Smith to Seddon, 25 November 1902, SS7 9/1/5, NA.

90 Solicitor-General's note, 12 December 1902, SS7 9/1/5, NA.

his suggestion was not accepted - another defeat for Smith.<sup>91</sup>

By 1904 Smith had at least one success in thwarting pensioners' efforts to beat the property restriction. In the case of a Port Chalmers pensioner, Joseph Heward, whose wife had transferred property which in Smith's view "would no doubt have gone to the husband" had it not been for the Old-age Pensions Act, Smith successfully influenced the Magistrate's decision. Smith instructed the deputy-registrar of Dunedin to submit the opinion to the Magistrate that the property be treated as if owned by the pensioner. Furthermore, the deputy-registrar was to get this decision "fully reported" in the Dunedin newspapers, because Smith believed that the "practice of willing away property is growing amongst Old Age Pensioners".<sup>92</sup>

Having tasted success Smith began pushing this course of action whenever possible, and once again overstepped his legal powers. Smith began recommending to Magistrates that "although there is no direct provision in the Old Age Pension Acts for charging the property transferred by a husband against his wife's pension, it is, I think, competent for a Magistrate to rule that it

-----  
 91 Smith to Seddon, 15 December 1902, SS7 9/1/5, NA.

92 Smith to Deputy-Registrar, Dunedin, 26 February 1904, SS7 9/1/5, NA.

shall be so charged".<sup>93</sup> However, the cases recorded by the Department in late 1906 suggest that the pensioners who transferred their property were more successful than Smith's efforts to stop them. His dominance had limits.<sup>94</sup>

Valuation of the pensioner's home remained a continuing problem. Under the 1902 Old-age Pensions Amendment Act a new clause was introduced, providing that an applicant could transfer a home to the Public Trustee if the property was valued at £300 or less. The home would then be excluded from the calculation to determine the net capital value of property.

This did not give the "deserving" the reward the term pension implied, but merely enabled them to borrow from the State. Under this arrangement the pensioner was entitled to live in the property rent free, but when the individual died the Public Trustee would sell the property and refund to Treasury the amount of pension paid plus 4 percent interest. In essence this was an early example of reverse mortgaging in old age.

It is unclear if this provision was much used. Neither the

-----  
93 See for example, Smith to Eyre Kenny, Nelson, 8 March 1906, SS7 9/1/5, NA.

94 "Examples of transfer of property", SS7 9/1/5, NA.

Department records nor the Reports of the Public Trustee reveal the extent of its use. The lack of record makes it tempting to suggest that this provision was used little. Amendments to the value of property that could be transferred thus were widened considerably in 1908 when the limit was raised from £300 to £650, and was it removed altogether in 1909. This might suggest that the limits were previously too stringent, making it insufficiently tempting for individuals to transfer their property to the Public Trustee.

While the 1902 reverse mortgaging amendment had provided one way that the deserving elderly might become eligible to receive the pension, it failed to resolve the problem of penalizing the thrifty. A new provision had been introduced, without resolving a fundamental source of the confusion in the Act.

\* \* \* \* \*

From the researcher's point of view Smith's attempts to gain more power had an important spin-off. He gathered information and statistics with great energy, and it is in the years 1902 to 1908 that the most comprehensive statistical record was kept, much of which was published in the Department's annual report. It

is only in this period that any sense of who pensioners were can be gained. However, even at its best the material is difficult to use as the following brief profile illustrates. Furthermore, insufficient information was recorded or has survived that would enable even a basic profile of pensioners in subsequent years.

While Smith was Registrar there were between 11,500 and 13,500 old-age pensioners. The majority, some 95 percent, were European and the remainder Maori. The majority of European pensioners, that is approximately 86 percent in 1906, had been born in England, Scotland, Wales or Ireland and about half of these were married. Proportionately more women than men benefited from the pension, though the differences were not large. In 1906, for instance, there were 5,002 female European pensioners, representing 31 percent of the female European population eligible by age, alongside 6,913 male European pensioners, forming 28 percent of those males eligible by age. This difference probably reflected the level of need amongst the sexes. In this period 95 percent of female pensioners stated that their former occupation had been domestic duties, and they were unlikely to have financial resources to fall back on. However, many males



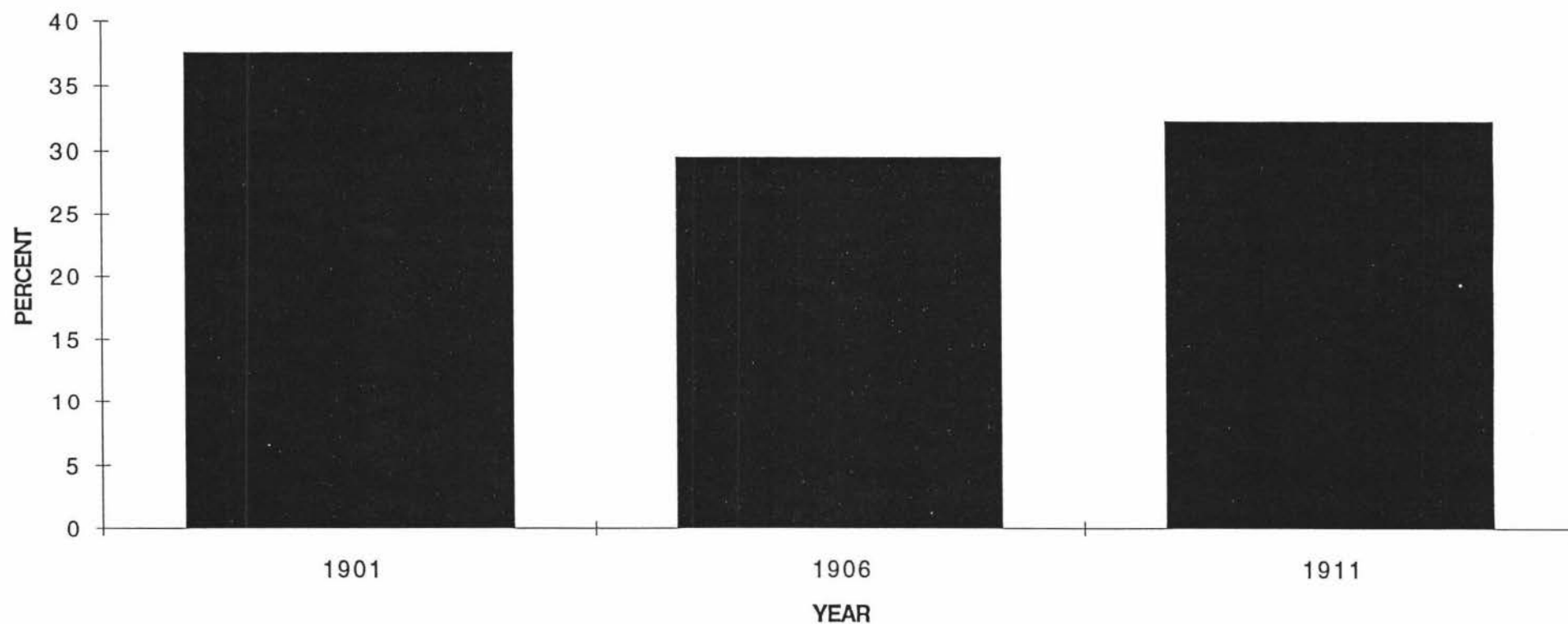
had few resources also: between 1904 and 1908 approximately half stated that they came from low income occupations like labouring.<sup>95</sup>

There can be little doubt that Smith's administration affected the overall size of this pensioner population. As Graph 2.1 shows in 1901 there was 37.5 percent, or 12,405, of the total population eligible by age receiving the pension. By 1906 there were 12,582 old-age pensioners, representing just 29.5 percent of the population eligible by age. This decline is impressive, but as Graph 2.2 shows the drop in the proportion of Maori receiving the pension was even larger.

Not only was the proportion of the population receiving pensions declining, but New Zealand's provision seems particularly narrow when compared to New South Wales for example, where an old-age pension had come into force in August 1901. Under this law any person sixty-five years and older, who had resided in the State for twenty years and who fulfilled various moral and financial criteria, would receive a maximum pension of 10 shillings per week. By 1908, 40 in

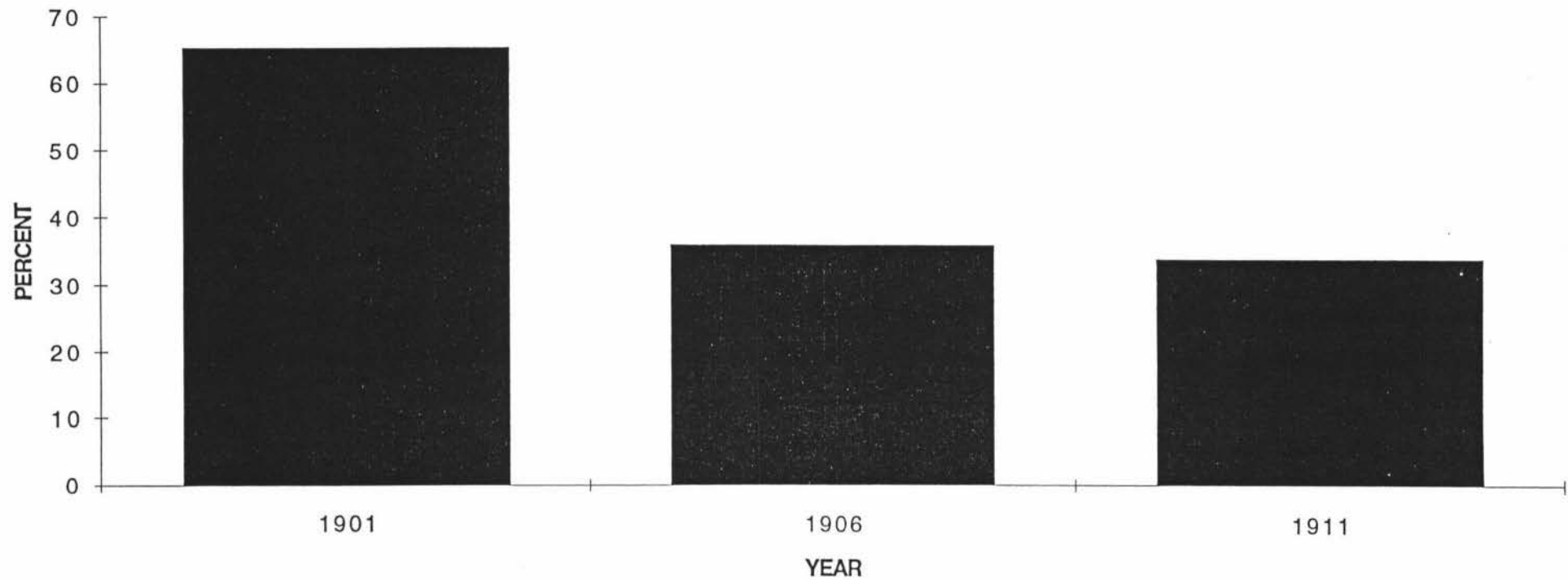
-----  
 95 Annual Report of Old-age Pensions Department, AJHR, 1899-1909, H-18; and OAP A14-A58, NA.

**GRAPH 2.1: OLD-AGE PENSIONERS AS PERCENTAGE OF TOTAL POPULATION (EUROPEAN  
AND MAORI) ELIGIBLE BY AGE, 1901-1911**



Sources: Annual Report of Pensions Department, AJHR, 1901-1911, H-18 and F-9; and Census, 1901-1911.

**GRAPH 2.2: MAORI OLD-AGE PENSIONERS AS A PERCENTAGE OF ESTIMATED MAORI  
ELIGIBLE BY AGE , 1901-1911.**



Sources: Annual Report of Pensions Department, AJHR, 1901-1911, H-18 and F-9; and Census, 1901-1911.

every 100 of those eligible by age in New South Wales received the pension.<sup>96</sup> In contrast in 1906 less than 30 in every 100 were paid a pension in New Zealand.

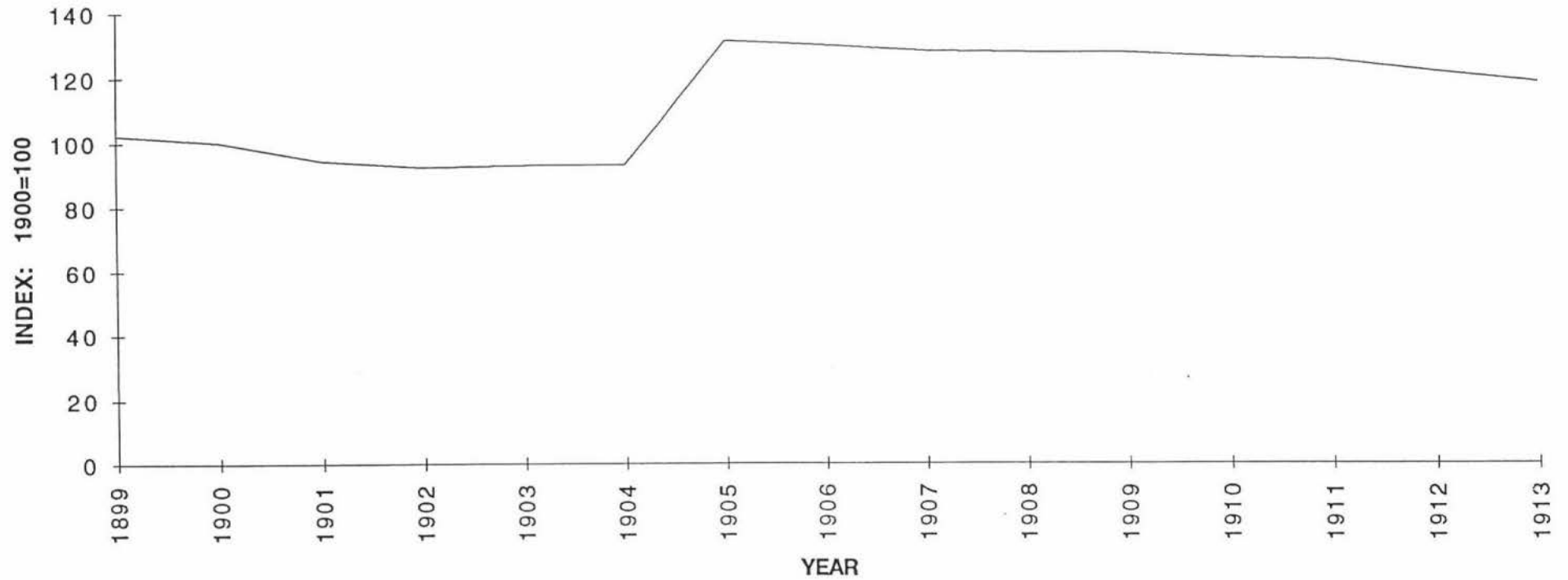
However, while Smith successfully cut the proportion of elderly receiving the pension, he did not thwart legislators' attempts to increase the rate of pension. In 1905 the maximum pension rate was raised from £18 to £26 per annum. The income limit was also raised from £52 to £60, to accommodate the new pension rate, but meant no net gain for pensioners. By constructing a number of indices we can determine at what rate the real pension changed in value. Graph 2.3 shows that the pension increased its real purchasing power marginally, relative to prices. The real value of the pension also increased at a greater rate than wages, but by about 1912 the two were keeping pace with each other.

Despite the increase, the New Zealand pension still remained modest. By comparison with Britain, where an Old-age Pensions Act was passed in 1908 bringing in a pension of 5s a week, New Zealand's provision seems miserly. At face value the New

-----

96 Official Yearbook of the Commonwealth of Australia, 1909, No.2, p.1115.

GRAPH 2.3: REAL VALUE OF PENSION, 1899-1913



Sources: Consumer Price Index in M.N. Arnold's "Consumer Prices, 1870 to 1919", Discussion Paper No.12, (Victoria University, 1982); and New Zealand Statutes, 1900-1939.

Zealand maximum rate of 10s per week was relatively generous. However, by measuring the value of the pension against average wages in Britain and New Zealand, it is clear that this is not so. In 1910, the average weekly cash wage of an ordinary farm labourer in England and Wales for instance was in the region of 15s 4d, in New Zealand approximately 40s.<sup>97</sup> New Zealand pensioners received around one-quarter of an agricultural workers' average wage while their British counterparts collected as much as one third. Insufficient data about the average wage of farm labourers in Australia prevents further comparison.<sup>98</sup>

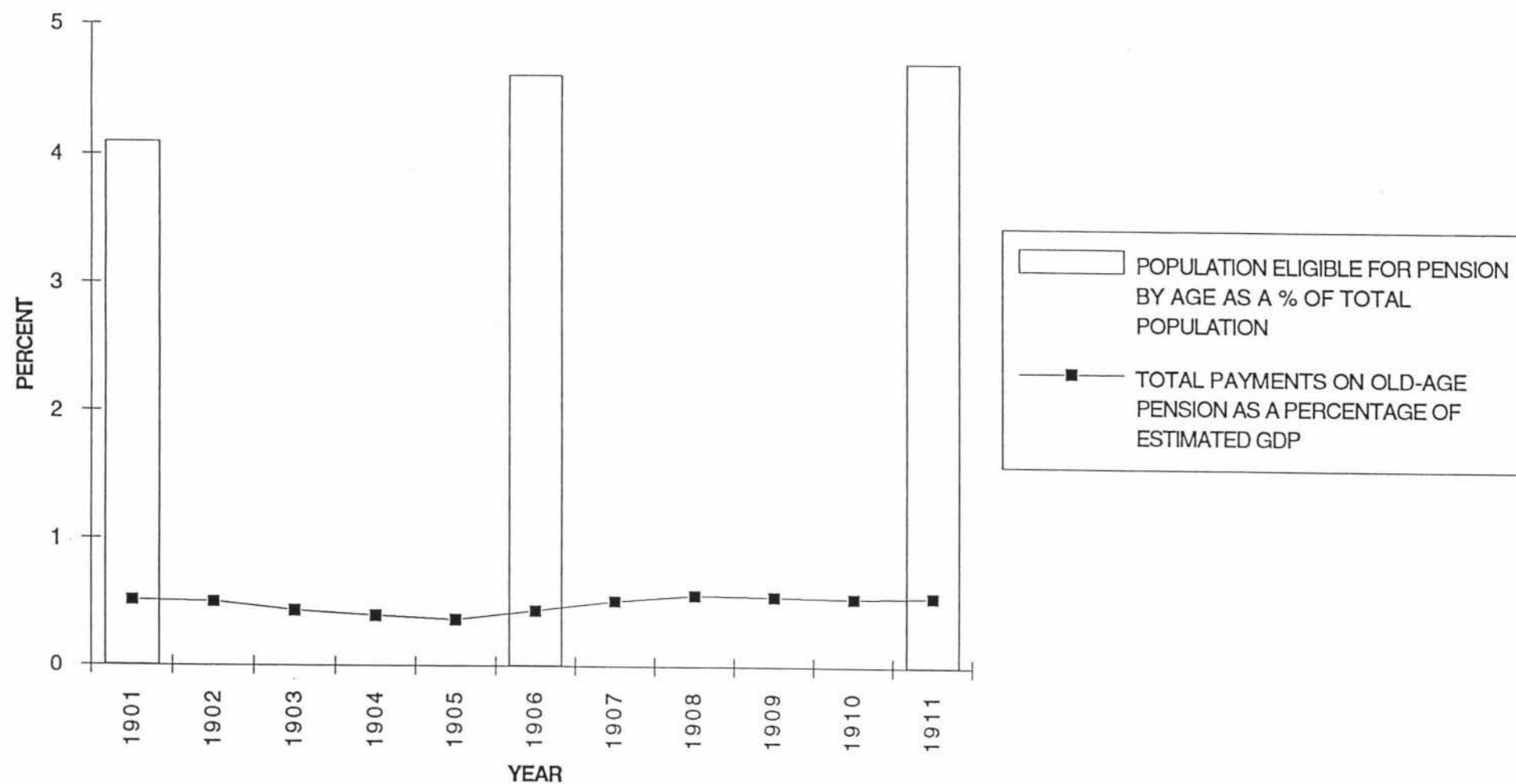
Furthermore, minimal change can be detected in the total old-age spending as a percentage of the country's estimated gross domestic product (GDP) between 1900 and 1911. Graph 2.4 shows that between 1901 and 1911 the population eligible grew from 4 to just under 5 percent of the total population. However, the proportion of estimated GDP that was spent on old-age pensions remained steady at around 0.6 percent. Little change is also evident when measuring the proportion

-----

97 Mitchell, British Historical Statistics, p.163; and NZOYB, 19: p.659.

98 Official Year Book of the Commonwealth of Australia, 1913, No.6, p.1140.

**GRAPH 2.4: POPULATION ELIGIBLE FOR PENSION BY AGE AND GDP, 1901-1911**



Sources: Estimate (a) in G.R. Hawke "Income Estimation from Monetary Data: Further Explorations" in The Review of Income and Wealth, Series 21, 1975, pp 301-307; and Census, 1901-1911.

of government expenditure on pensions. Just below 4 percent of government spending from the Consolidated Fund went on old-age pensions between 1900 and 1911.

Legislators also made changes to the asset test which did benefit some pensioners and new applicants. Under the 1905 Old-age Pensions Amendment Act the equation for calculating an individuals assets was changed, and a £150 exemption was introduced for applicants who owned and resided in a home which produced no income. In effect this meant there were two working equations for determining assets. The first was the same as in the 1898 Act:

All property
- any mortgages
- standard £50
-----
= Net value of property
-----

The second and new equation for home owning applicants looked like this:

All property
- any mortgage
- £150
-----
= Net value of property
-----



One further alteration was made and applied to both calculations. The pension would be reduced by £1 for every £10 (instead of by £1 in every £15) over £50 or £150, whichever was applicable. This meant that if £260 rather than £270 of property was owned over and above the exemption level an applicant would be barred from the pension altogether.

For the home owner this new clause was an improvement. It meant that £150 rather than £50 could be owned before the pension was reduced. However, this exemption was still not particularly generous compared to contemporary property values, as noted in Chapter One. Even so, the benefits of the greater exemption were felt by some. By March 1907, there were 111 new pensioners on the roll who had previously been ineligible for a pension because of excess property. In most cases these new pensioners received a reduced rate of pension. Furthermore, of the 13,257 pensioners on the roll at this time, some 2,245 had benefited from the increased exemption.<sup>99</sup>

However, Department records suggests that the majority of old-age pensioners were not home owners, because in the period

---

99 Annual Report of Old-age Pensions Department, AJHR, 1907, H-18, p.8.

1899 to 1915 between 80 and 85 percent received the maximum pension. In light of the level of exemption, the rules for reduced rates of pension, and property values at the time, it seems unlikely that a home owner could receive the full £26. In addition Smith's record suggests that on average pensioners were without major assets. Between 1905 and 1908, for instance, the average total property owned by a pensioner less any liabilities was only valued between £25 and £35. Legislators' efforts to soften the scheme must be viewed as ambivalent in these contexts.

\* \* \* \* \*

It is difficult for the researcher to escape the clutches of James Eman Smith between 1902 and 1908. This is because of his energy and determination in shaping policy, and as the administrator at the central level he left a much neater and more coherent record than did others, like the Magistrates or pensioners, who were involved in the scheme. However, not all the other players are silent, and the views of law makers point to a gap between them and Smith. The muted and softer views of legislators tended to be confined to the emotive issues - morality and the court system - and legislators still

backed away from resolving the hard question of balancing "merit" and "need", or of giving more to pensioners. Traces of sympathy for the elderly among legislators were overridden by Smith's much harsher agenda. In reality, there was little sign of growing sympathy towards those entering the old-age pension scheme.

Smith's quest for power was encouraged by change in the broader bureaucratic environment and the nature of the political one. His success in introducing a new investigation procedure, without amending legislation, not only highlights the importance of looking beyond the statutes but is revealing about the nature of government at the turn of the century. Smith circumnavigated the Registrar's lack of statutory power by introducing regulations, withholding information, writing letters, issuing circulars, visiting pension districts and invoking higher authorities. While Seddon was Colonial Treasurer Smith had many victories using these methods, which suggests that this was an era when the style of government was conducive to strong administrators who exercised discretion and pursued their own agendas. Nonetheless, at times Smith failed to have his way, and this reminds us of Hill's suggestion that policy outcome is the product of complex interaction between legislation,

administrators and the environment at which the policy is aimed.

Bureaucratic growth, the moves to more central government and the aim of efficiency, were a major strength to Smith in his years as Registrar since such thrusts legitimized his activities and empire-building. However, they were also key to his demise as Registrar of Old-age Pensions. When Sir Joseph Ward became Prime Minister in 1906 his emphasis on efficiency, organisation and systems resulted in retrenchment in the public service. Ironically Smith was one victim of a broader demand for efficiency - the very trend that he had ruthlessly exploited in his struggle for power. The separate position of Registrar was axed in 1909. Smith went on to be the Resident Commissioner of the Cook Islands until 1913, then returned to New Zealand to become the Under-Secretary of Immigration before dying prematurely in 1916.

The new direction of the Public Service spilt over into pensions legislation. In the 1908 Old-age Pensions Amendment Act the Registrar was renamed Commissioner, local officers became Registrars, and the Department was to answer to the Minister of Finance. Even though his job was axed Smith had one final

success - the inclusion of the 1903 regulations in that Act. His work finally went on the statute books.

By the time Smith moved on, the pension system had become highly investigative - even more so than laid down in the 1898 Act. The central Department overseeing the scheme had increased threefold and was more powerful, although it still depended largely on other departments to provide the bulk of its work force. Some 13,569 elderly were on the roll in 1908, numerically more than in 1902, but proportionately less of those eligible by age. The real value of the pension had grown slightly but was still small. Overall changes made in the period 1902 to 1908 were not particularly favourable for old-age pensioners but the system that dominated the next thirty years was well in place.

### CHAPTER THREE: 1909-1912 - INTERREGNUM

While the period 1909 to 1912 was in many ways an interregnum, marking a pause between the years of Smith's control and the widening scope of the Department after 1913, elements of change were evident. No significant policy changes occurred, but a handful of amendments demonstrate that legislators continued to have some sympathetic if ineffectual leanings. For instance, attention continued to focus on the use of the court system, and under an amendment introduced in 1911 a new provision aimed at catering for elderly pensioners with dependent children.<sup>1</sup>

Legislators continued to demonstrate ambivalence about how restrictive entrance to the scheme should be. The 1909 and 1910 Old-age Pensions Amendment Acts saw legislators turn their attention to the asset test, but once again they

---

1 This particular amendment will be addressed more fully in Chapter Four.

However, the reorganisation of government bureaucracy was not especially successful. The Hunt Commission of 1912, which was appointed to report upon the unclassified departments of the public service, described the amalgamations as "more nominal than real", because units of government were joined together but not reformed into integrated organisations.<sup>3</sup> This combined with the advent of new types of pensions, for widows and certain members of the military, meant that the alliance with the Post and Telegraph Department was shortlived. In November 1912, the Old-age Pensions Division was re-formed into the Pensions Department.

\* \* \* \* \*

It is in this period that a further softening of the inquisitorial nature of pensions can be detected. This change might be seen as a consequence both of the merger with the Post and Telegraph Department and the loss of Smith's draconian oversight. Robertson was more of a figure-head, leaving much of the day-to-day central supervision of pensions

-----  
 3 Report of Commission appointed to Inquire and Report upon the unclassified Departments of the Public Service of New Zealand, AJHR, 1912, H-34, p.30.

to the Deputy-Commissioner, George Fache. Fache had been involved with old-age pensions since his appointment to the position of Chief Clerk under Smith in 1902, and while he shared many of Smith's concerns he lacked both the passion and drive to be as effective as Smith had been.

Numerous legislators had long expressed their desire for a more sympathetic approach to how claims were investigated, and the 1905 Old-age Pensions Amendment Act had granted the Magistrate the discretion to investigate pension claims in private chambers. However, it was not until the period between 1909 and 1912 that moves were made to make the provision for applicant privacy mandatory.

This was achieved despite resistance at the central level. In 1912, Fache informed Robertson that there was no need "to alter the system in operation which has worked harmoniously with few exceptions since the Act came into operation 13 years ago". He also believed that there was "quite enough fraud under existing conditions without facilitating more by eliminating the limited publicity that attaches to the general conduct of our affairs".<sup>4</sup> Robertson concurred, and asserted that "a proportion of the

-----

4 G. Fache to Robertson, 7 May 1912, SS7 9/1/1, NA.



middle class" would always object to the publicity of the system.<sup>5</sup>

Legislators held different views. The mounting sympathy towards applicants caused repeated attacks upon the Department in the House in 1910 and 1911. Officials at Head Office were accused of an "improper exercise of authority", and of demonstrating a "total lack of sympathy and understanding" in their administration.<sup>6</sup> Another member rather optimistically expressed the hope that they were "approaching a time when the only question that will be asked an old-age pensioner will be 'Are you 65 years of age?'"<sup>7</sup>

This finally bore fruit in the 1913 Pensions Amendment Act. Under this the investigation of each applicant in open court was abolished in favour of a private hearing in the Magistrates' chambers. This was significant, because it represented a clear move away from the punitive spirit of the 1898 Act, and from the notion that public policing was necessary. Reports to the Department reveal that by November 1914 at least 89 percent of pension districts were holding pension courts in private.<sup>8</sup> In

-----

- 5     Robertson to Minister of Finance, 9 May 1912, SS7 9/1/1, NA.
- 6     NZPD, 149(1910), p.194(Russell), and p.196(Ross).
- 7     ibid, 156(1911), p.614(Taylor).
- 8     Calculated from district reports to Fache, November 1914, SS7 9/1/1, NA.

the few instances where this was not occurring the main reason was inadequate accommodation rather than a wilful disregard for the new provision of privacy.

Smith had introduced a thorough and searching investigation system, but the removal of his intensive supervision meant that almost immediately there was a relaxation in procedures. Between 1909 and 1912, for instance, the role of the police was less emphasized, and this was undoubtedly aimed at containing administrative costs. When, for example, the Constable of the Timaru pension district requested a bicycle allowance from the Old-age Pensions Division, because he was required to personally visit some 227 pensioners, his claim was rejected on the grounds that he already received such a grant from the Police Department.<sup>9</sup>

A Pensions Division memo explained that such visits were not needed, and that police reports should be treated as a routine piece of paperwork rather than an indepth investigation.<sup>10</sup> The Department's reluctance to meet police expenses incurred while making pension reports resulted in a trading-off of the

-----  
9 Fache to Assistant Accountant, 25 September 1909, SS7 9/4/2, NA.

10 Old-age Pensions Division Memo to Commissioner of Police, 22 October 1909, SS7 9/4/2, NA.

investigatory procedure which Smith had fought to introduce. Emphasis shifted away from the rather zealous administration of the early 1900s.

Even so, the punitive stress of the previous years remained evident in some areas. The unofficial policy regarding race became further entrenched and meaner, with Fache and Robertson promoting the policy of reduced Maori pensions at every opportunity. In May 1909, for example, when Ernest Cutten, the Stipendiary Magistrate for Raglan, urged the introduction of smaller pensions for Maori, Robertson informed the local Registrar that a maximum pension of £18 (the legal limit was £26) had been granted to Maori pensioners for several years in the Gisborne, Wairoa, Port Awanui and New Plymouth districts.<sup>11</sup> Cutten was to be encouraged to act similarly. In another instance Fache informed a local officer that a uniform pension of £18 "should" be granted to Maori pensioners, as this occurred in other "native" districts.<sup>12</sup>

Universal adoption of this policy was not easy to achieve, and

-----

- 11 E. Cutten to Registrar of Pensions, Hamilton, 17 April 1909; and Robertson to Registrar of Pensions, Raglan, 26 May 1909, SS7 9/9/1, Part 2, NA.
- 12 Fache to Registrar of Pensions, Whakatane, 26 July 1912, SS7 9/9/1, Part 2, NA.

some Magistrates refused to follow the Department's lead. When the Stipendiary Magistrate of the New Plymouth district changed in 1912, the new man, Crooke, refused to continue reducing Maori pensions as had been the practice of his predecessors. Crooke stated that "there is nothing in the statutes limiting the Pensions of Maoris to £18", and in his view such action represented a "usurping of the powers of the Legislature".<sup>13</sup> Crooke's failure to fall into line posed a problem, to which Robertson responded: "where there are variations in the same district...questions are raised, and it is essential that Head Office should be prepared with the necessary explanation".<sup>14</sup> That is, Maori ability to live off the land, their communal lifestyle and joint ownership of land, meant their needs were less than Europeans.

Fache also introduced a new tactic which aimed at blocking Maori claims altogether. A report from the Registrar of Pensions in Whakatane revealed that the application for a pension by one Maori tended to trigger an influx of claims from others, much to this official's annoyance.<sup>15</sup> Fache instructed the Registrar

-----

13 Registrar of Pensions, New Plymouth to Robertson, 14 August 1912, SS7 9/9/1, Part 2, NA.

14 Robertson to Registrar of Pensions, New Plymouth, 19 August 1912, SS7 9/9/1, Part 2, NA.

15 Registrar of Pensions, Whakatane to Fache, 7 September 1911, SS7 9/9/1, Part 2, NA.

that because of the possibility of another large batch of Maori claimants, he would "be glad if you will refuse to issue claim forms until you are in possession of absolutely convincing evidence that the various intended applicants are of the required age".<sup>16</sup> By demanding corroborative evidence of age before issuing a claim form, Fache was not only manipulating the free access to application, but also he undoubtedly hoped to deter claimants altogether by requiring them to produce difficult evidence. Furthermore, he was denying the individual the use of the Department's resources for proving age.

The Department's unofficial policies for Maori were fuelled by further claims of fraud by Maori pensioners. For instance, a Maori informant to the Department asserted that certain Maori were wrongfully receiving the pension, because they were either landowners or had given property to their children. The policeman who reported this claim to Head Office suggested that this situation should be investigated because even if fraud was only proven in a few cases, it might "so frighten the others that they will relinquish their pensions for fear of punishment".<sup>17</sup> One case of supposed fraud in Gisborne was found

-----  
 16 Fache to Registrar of Pensions, Whakatane, 13 September 1911, SS7 9/9/1, Part 2, NA.

17 Report of Constable W. Farr, Auckland, 12 November 1912, SS7 9/9/1, Part 2, NA.

to be groundless but another in Russell was confirmed, since the individual had received a full pension of £26 for three years while owning land valued in excess of £1000.<sup>18</sup>

Such cases not only legitimized the central officials' sense of righteousness, but also serve to illustrate the difficulties these administrators experienced in handling Maori claimants. Maori wrongfully receiving a pension, due to fraud or mistakes, were not easy to detect because no alphabetical list of Maori landowners existed. This caused problems in the Auckland area "where the ownership of the great bulk of native land" was recorded.<sup>19</sup> The crux of the problem was that the Department relied initially upon each applicant's honesty and understanding, and difficulties arose if an applicant omitted to name a block in which he or she held an interest. In Wellington, Wanganui and Gisborne, the Native Land Courts were smaller, and less difficulty was experienced.

\* \* \* \* \*

As before, central-local ties during this short phase under

-----

18 Fache to Fisher, 12 March 1913, SS7 9/9/1, Part 2, NA.

19 *ibid.*

the Post and Telegraph Department were at times strained because magistrates remained more sympathetic in their interpretations than the Department wished. In 1911, for instance, one Magistrate awarded a pension to a New Plymouth man who had deserted his wife, (which was a legal ground for exclusion), and ordered that the individual's pension be paid to the wife until the amount owing to her under a maintenance order was met. The Crown Law Office, however, overturned this decision because such an action was outside the Magistrate's power.<sup>20</sup> The Act clearly stated that the pension could only be paid to another person for the pensioner's benefit, and could not be used for any other purpose.

Some Magistrates were more successful in upholding their decisions. For example, Victor Grace Day, the Magistrate for Timaru, elected in two cases to ignore documentary evidence which proved the applicant was under the age of sixty-five. In one instance a Timaru pensioner was shown by his marriage certificate to be only sixty-two, while in another case immigration records revealed an Ashburton pensioner to be just fifty-nine.<sup>21</sup> Day's action in granting pensions developed

-----  
 20 Crown Law Office opinion, 17 February 1911, OAP S51, NA.

21 H. Higgins to Robertson, 26 April 1910, SS7 9/2/1, NA.





Victor Grace Day: the Stipendiary  
Magistrate for Timaru.

Source: Cyclopedia of New Zealand  
Volume 2, p.876.



into a major clash, even though he was within his legal rights to ignore evidence. This prompted a Departmental memo to the Minister of Finance stating that "the opinion of this Department is repeatedly in conflict with Mr V. G. Day".<sup>22</sup> Day was not prepared to concede any of his power and informed Robertson that:

Neither the Commissioner, nor any Minister has the right to question a Magistrate's certificate, except in a constitutional manner i.e., by Writ of Certiorari. I think the sooner this position is conceded the better, as otherwise there must be continual friction between your Department and the Magistracy.<sup>23</sup>

This conflict highlights that the Department still lacked power in controlling Magistrates. In this instance the Crown Law Officer stated that the Magistrate was "sole judge", but also endorsed the Department's stance by adding that "the greatest weight should be attached by the Magistrate to an official record".<sup>24</sup> However, the Department had no power to enforce this opinion, and several months later it was evident that Day had continued to disregard documentary evidence of age. Fache conceded to Robertson that there was little they could

-----

- 22 Pensions Division Memo to Minister of Finance, 27 April 1910, SS7 9/2/1, NA.
- 23 Day to Robertson, 11 May 1910, SS7 9/2/1, NA.
- 24 T. Neave to Robertson, 6 October 1910, SS7 9/2/1, NA.

do because "the Crown Law Office has ruled that he has a right to do so, I suppose we must accept the position".<sup>25</sup>

Other disputes not only reveal the Department's powerlessness to exercise close control over members of the Magistracy, but also the lengths to which Head Office was prepared to go in seeking uniformity in pensions administration. Samuel McCarthy was another Magistrate who repeatedly clashed with the Department. In 1909 McCarthy awarded a pension to George Henson who had income in excess of £60. (The income limit had changed from £52 to £60 in 1905). His decision was based on the belief that income limits in section eight and nine of the 1908 Old-age Pensions Consolidation Act were for the purpose of computing single person's pensions, while section fifteen was for married couple's.<sup>26</sup>

Both the Department and the Crown Law Office disagreed that the income computing sections of the Act could be read without reference to each other, because without section nine which specified the maximum rate of pension there would be no provision

-----  
25 Fache to Robertson, 30 May 1911, SS7 9/2/1, NA.

26 Registrar of Pensions, Dannevirke, 26 October 1909, OAP 1910/I12, NA.

for deductions of married couple's income.<sup>27</sup> McCarthy refused to alter his decision.<sup>28</sup> This was "upsetting" for Fache because McCarthy's argument was at variance with "every other Magistrate in the Dominion", and was of such "serious import" that the opinion of the Supreme Court might be needed.<sup>29</sup> McCarthy was unmoved and continued to grant pensions that favoured applicants. The Solicitor-General stated that the Magistrate was wrong in his interpretation and that if he failed to review his decisions again a declaratory judgement would be obtained.<sup>30</sup> It is unclear whether the Magistrate conceded defeat.

\* \* \* \* \*

Income and property difficulties persisted because the confusion over deservedness remained unresolved. However, it was only when politicians turned their attention to the asset test in 1909 that the issue came to a head. "Penalization of the thrifty" was the catchcry of T. E. Taylor, the Member of the

- 
- 27 Robertson to Registrar of Pensions, Dannevirke, 1 November 1909, OAP 1910/I12, NA.
  - 28 Registrar of Pensions, Dannevirke, to Robertson, 10 November 1909, OAP 1910/I12, NA.
  - 29 Department's notes and ruling of Solicitor-General, November 1909, OAP 1910/I12, NA.
  - 30 Opinion of the Solicitor-General, 23 November 1909, OAP 1910/I12, NA.

House of Representatives for Christchurch North at this time. Taylor asserted that the asset test needed to be addressed, because an increase in Government valuations of property resulted in the reduction of some pensions.<sup>31</sup> Supported by nearly forty other parliamentary representatives, Taylor led a deputation to the Prime Minister, Joseph Ward, and condemned the property restriction as a direct blow to thrift.<sup>32</sup>

At face value the amendment which this triggered represented a significant step forward for home owners. Under the 1909 Old-age Pensions Amendment Act all previous equations for calculating the net value of property were repealed. Three items - life assurance policies, the home which the resident owned and resided in, and furniture, were all now exempt from the calculation of a person's assets. The pension would still be reduced by £1 for every £10 of property over and above these exemptions. This still meant that if the net value of property was over £260, an individual would be disqualified from the pension altogether.

Legislators had initiated this change, but central administrators

-----  
 31 Lyttleton Times, 25 March 1909, OAP 1910/A40, NA.

32 Dominion, 22 October 1909, OAP 1910/A40, NA.

also played a major policymaking role. Fache, who did not welcome any loosening of the property provision, constructed a clause which was included in the amendment. Ten percent of the value of the home and furniture would be to be treated as income.<sup>33</sup> A home valued at £340 was treated as giving £34 per annum in income.

Immediately upon its implementation the flaws of Fache's scheme were evident. Over 900 pensioners had their pensions cut by up to £3 in 1910.<sup>34</sup> The 1909 amendment meant that homeownership was now penalized through excess income rather than property clauses. The problem of penalizing the frugal had not been solved but merely transferred to another section of the Act. Robertson informed Ward that in the first five months of the amendment 718 pensioners had also benefited, and noted the difficulty of making a selective system workable: "it seems not possible to provide for the greatest good of the greatest number without inflicting some slight hardship on a limited few".<sup>35</sup>

The 1910 Old-age Pensions Amendment Act sought to rectify this. Formula for calculating the net capital value of property was

-----

33 Fache to Assistant Accounts, 29 October 1909, OAP 1910/A40, NA.

34 Fache to Robertson, undated, OAP 1910/A40, NA.

35 Robertson to Ward, 20 June 1910, OAP 1910/A45, NA.

once again changed. Life assurance policies and annuities were exempt. A £340 exemption was introduced for the applicant's home including furniture. For interest in any other property a £50 deduction was provided. The 10 percent clause was repealed. For pensioners the effect was salutary: 3,274 pensions increased under the Act and this time only 27 were reduced.<sup>36</sup>

\* \* \* \* \*

Overall the period 1909 to 1912 was characterized by a slight swing in sympathy to pensioners. Legislators continued to demonstrate such leanings and although a reading of Old-age Pension Division files suggests that Fache kept a tight rein on the administrative process, the results show even so a softening had occurred.

In 1909 there were 14,396 old-age pensioners on the roll. By 1912 this had risen to 16,649. This represented 32 percent of the total population eligible by age, which means more people were benefiting than in 1906 when 29.5 percent of those eligible had been in receipt of the pension. Moreover,

-----

36 Fache to Robertson, 4 January 1911, OAP 1910/A45, NA.

the average net increase to the pension roll had risen to 770 per year between 1909 and 1912, in marked contrast to Smith's day when there was an average net increase of just 166 each year.<sup>37</sup> Furthermore, cancellations became less common, dropping from an average of 3.3 percent between 1902 and 1908 to just 1.4 percent in the years 1909 to 1912.<sup>38</sup>

But while there was modest growth in the size of the pensioner population, there was little change to the value of the pension between 1909 and 1912. Graph 2.1 shows that the pension held its relative purchasing power until 1911, and that only at the end of this period did the worth of the £26 pension begin to fall.

-----

37 Annual Report of the Old-age Pensions Department, AJHR, 1902-1909, H-18; and Annual Report of the Post and Telegraph Department: Old-age Pensions Division, AJHR, 1910-1912, F-9.

38 *ibid.*

#### CHAPTER FOUR: 1913-1929 - AN AURA OF EXPANSION ?

Very little changed between 1913 and 1929, and the pension system fashioned and refined in the Smith era remained firmly in place. This is surprising, because it is not the picture generated by historians. Little has been said about old-age pensions in this period, but nevertheless a misleading tone of expansion and change has emerged. This is the result of a persistent focus upon legislative activity - the amendments to old-age pension legislation, and the predominant focus on newer forms of assistance including pensions to widows, miners and the blind, and family allowances.

Such an illusion has perhaps also been encouraged by changes in the broader environment - upheaval in the political arena and World War One, followed by economic recession in the early 1920s. In July 1912 Reform was elected Government, ending over twenty years of Liberal rule and ushering in William Massey as Prime Minister. However, Reform's election did little to change the



lot of old-age pensioners since the party's interest lay in land and farm development: social legislation was of little importance. Furthermore, attention was drawn outside New Zealand with the start of World War One, which triggered more political change as Reform and the Liberals formed a coalition in the National Government. With the war's end the country hit another problem - economic recession when export prices fell, principally because of the end of Imperial Requisition which had seen all New Zealand wool, meat, butter and cheese bought by Britain during the war.

"Change" and "upheaval" seem ubiquitous, yet where old-age pensions are concerned there is little to support this sense of significant movement. Three areas of legislative attention commonly noted by historians' - age limits, the asset test and the amount of pension - have fostered the illusion that the old-age pensions system was softening and expanding. But these most frequently cited examples of "progress" have been little analyzed, and were not simply the progressive measures they have seemed to many.<sup>1</sup>

-----

1 For examples of this view see Condliffe, Welfare State, p.298; Sutch, Quest for Security, p.147; Social Security Department, The Growth and Development of Social Security in New Zealand, (Wellington, 1950), p.24 and Report of the Royal Commission on Social Security, p.44.

Prior to 1913 the age qualification received some attention. In 1904 for instance, T. E. Taylor, the Member for Christchurch City, suggested that the government should make the old-age pension payable to women at sixty. Taylor's desire was for "fair play and justice", because in his opinion women had "lesser physical equipment" and an "inability to compete in the world of work at an advanced age".<sup>2</sup>

Despite arguments of this kind little was altered. In 1911 a provision was enacted which allowed sixty year old males and fifty-five year old females, with two or more children under fourteen years old, to receive a maximum pension of £39. This meant a £13 allowance for dependent children had been added to the standard £26 old-age pension. The results were limited - in 1914 only 48 of the 18,058 pensions in force were granted under this provision.<sup>3</sup> However, the clause did represent a break with the sixty-five years of age principle.

Under the 1913 Pensions Act the age qualification was

-----  
2     NZPD, 128(1904), p.388(Taylor).

3     Annual Report of Pensions Department, AJHR, 1914, H-18, p.3.

lowered to sixty for women, enhancing the impression that some "progress" was occurring. The reasons for this move are not wholly clear, although the Parliamentary Debates tend to confirm Sutch's assertion that the lowering of the age limit was a fulfillment of Reform's election promises.<sup>4</sup> Beyond vote-catching lay some sense of chivalry towards elderly women - they should not or could not work. One speaker in Parliament, for instance, claimed that the lower age limit was crucial because women were not "physically built so they could work as long as men".<sup>5</sup> Newsclips and letters in the Department files also suggest that women themselves felt they had done their duty to the colony by "keeping the cradle full", and because they were the "weaker sex" should be provided for at sixty.<sup>6</sup>

Such sympathy suggests that women approaching sixty were less able than men to maintain even a small degree of independence through work. According to the 1911 Census as many as 83 percent of women between the ages of forty-five and sixty-five were

-----  
4 NZPD, 163(1913), p.88(Fisher); and Sutch, Quest for Security, p.148.

5 NZPD, 169(1914), p.318(Buick).

6 See for instance, "Frail 61" in ODT, 28 April 1913; J. MacDonald to Fisher, 16 October 1912; and N. Beck to Massey, 27 January 1913, in OAP 1906/A31, NA.

"dependents" in contrast to only 2 percent of men in the same age group.<sup>7</sup> Furthermore, as many spent their working years in an unpaid capacity at home, it is unlikely that women had savings to maintain them in old age. On top of this, widows between the age of sixty and sixty-five were a sizeable group. In 1911 they constituted 33 percent of females in that age group. This meant a large pool of women had presumably lost a partner's income.<sup>8</sup>

Even so, the impact on European women in the sixty to sixty-four age group was limited. Included among the 19,057 European pensions in force in 1916, for instance, were 2,418 European female pensioners aged sixty to sixty-four. This group represented only 19 percent of European women aged between sixty and sixty-four whereas nearly 29 percent of the total European population eligible by age (including European women aged sixty to sixty-four) received the pension.<sup>9</sup> This limited impact in the sixty to sixty-four age group seems surprising because the expectation was that having enlarged the population eligible by

-----  
7 Census, 1911, Part VIII: Occupations, pp.412-414.

8 ibid, Part VII: Conjugal Condition, p.294.

9 Calculated from the Annual Report of the Pensions Department, AJHR, 1914-1929 and OAP files A71 to A172, NA.

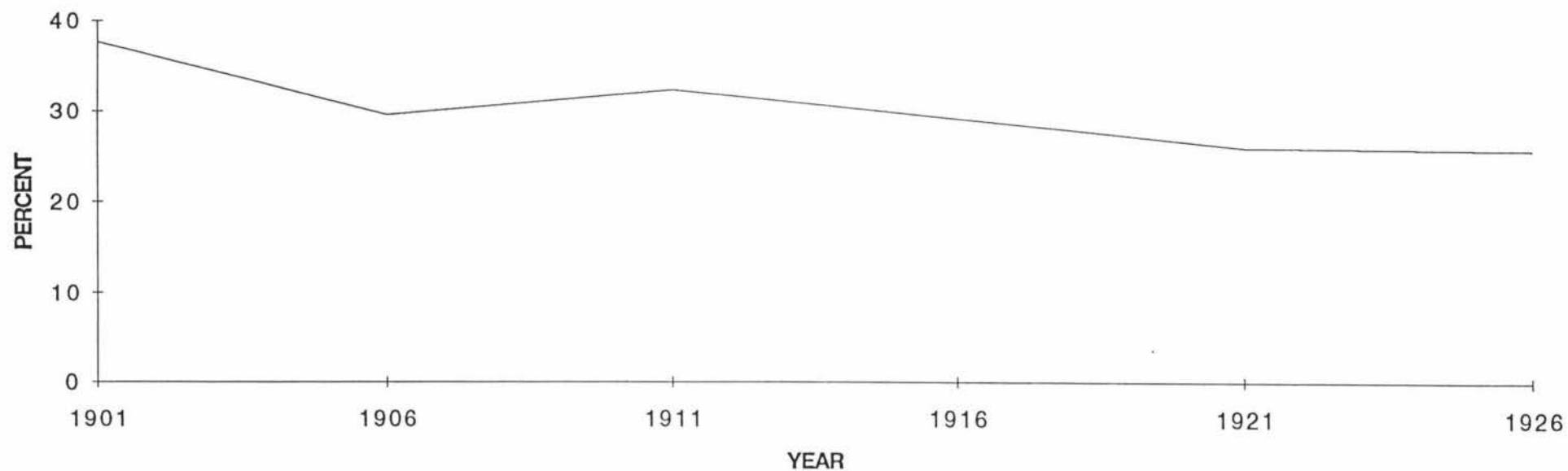
age, the population receiving the pension would also increase.<sup>10</sup> However, as Graph 4.1 demonstrates the number of pensions in force did not keep pace with the growth of the aged population. The major reason was a fall in the number of new pension claims being lodged each year, relative to the total population eligible by age and not already receiving the pension. As Graph 4.2 illustrates, between 1911 and 1921 the proportion of new claims lodged fell by approximately 40 percent, which meant fewer people from an enlarged pool of the eligible were applying for the pension.

The proportion of new claims lodged may have been falling because by 1916 new forms of pensions - to widows, Maori War veterans and miners - were being granted. This was important for the elderly because new schemes opened up different avenues for income maintenance which were often more attractive than the old-age pension. Military pensioners, for example, stood to receive £13 per annum more than old-age pensioners, which caused some 400 to swap from the old-age pension roll to the

-----

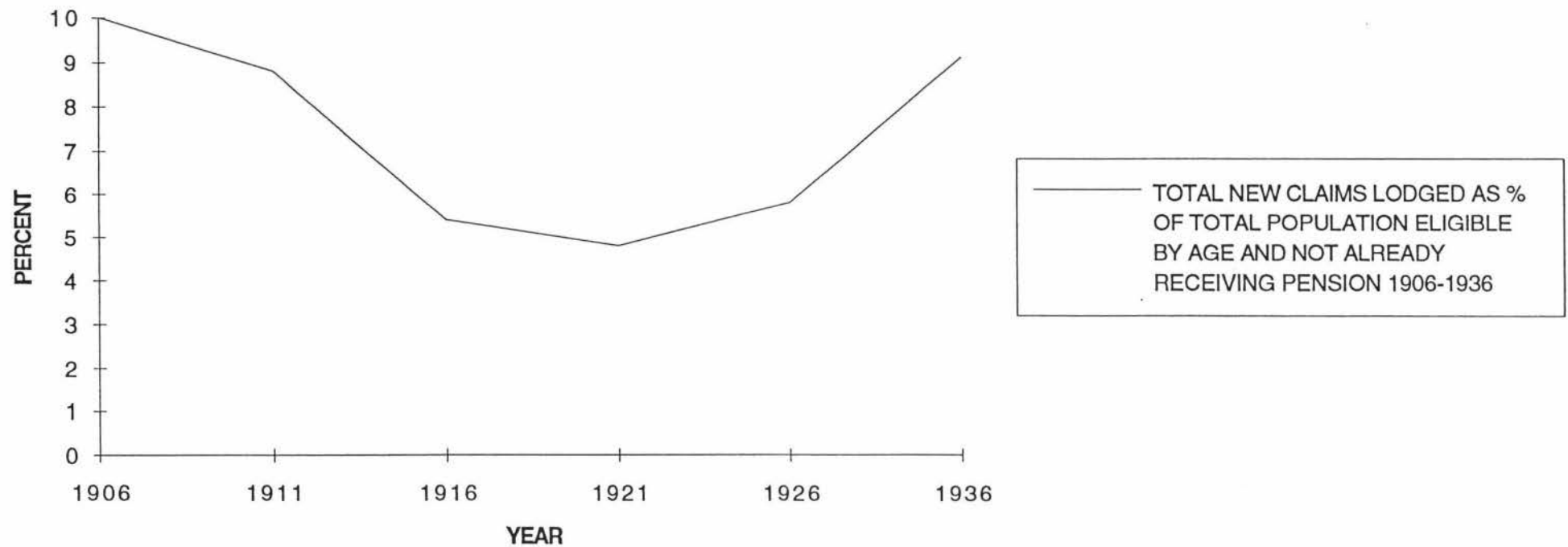
10 In 1916 the European population eligible for the pension aged sixty-five or more numbered 53,396. In addition, the European female population aged between sixty and sixty-four totalled 12,576 making a total European population eligible by age of 65,972. I am unable to include Maori in this group because the number of Maori women aged sixty to sixty-four was not recorded and thus this discussion focuses upon Europeans.

**GRAPH 4.1: OLD AGE PENSIONERS AS PERCENTAGE OF TOTAL POPULATION**  
**(EUROPEAN & MAORI) ELIGIBLE BY AGE, 1901-1926**



Sources: Annual Report of Pensions Department, AJHR, 1901-1926, H-18 and F-9; and Census, 1901-1926.

**GRAPH 4.2: NEW CLAIMS LODGED 1906-1936**



Sources: Annual Report of Pensions Department, AJHR, 1906-1936, H-18 and F-9.

military pension by 1914. Other gains could be made - under the 1913 Pensions Act, for instance, property restrictions for military pensioners were made looser than for old-age pensioners. Moreover, the 1914 Pensions Amendment Act relaxed income limits for military pensioners while they remained unchanged for old-age pensioners.

By calculating the proportion of widow, Maori War and miners pensioners who were sixty or over, we gain an indication of the extent to which the elderly were in receipt of state aid other than the old-age pension. The widows' pension was insignificant as a means of provision for the over sixties, with less than 0.2 percent, or 3, of the 1,540 widows' pensioners being over sixty in 1914. In the same year, however, 1,106 or 92 percent of Maori War pensioners were Europeans over sixty and in 1917 43 percent, or 102, of the 238 miners' pensioners were also sixty or over. This data enables us to estimate the extent of civilian pension provision to the over sixties. In 1917, for instance, recipients of Maori War and miners' pensions represented the equivalent of approximately 5.5 percent of the 19,697 old-age pensioners. This meant in 1917 that approximately 20,784 over sixties were



catered for through old-age, Maori War or miners pensions.<sup>11</sup>

In addition, the War Pensions Act which became law in 1915 provided yet another basis for pension receipt amongst senior members of New Zealand society. Under this Act women aged fifty or over and men aged fifty-five and above, whose offspring was either disabled or killed in the course of World War One, could claim a pension if they were to any extent dependent upon the son's earnings prior to him entering the military, or were likely to have been so in the future.<sup>12</sup>

The War Pensions Board appointed to administer the Act was required to take into account the applicant's property and income from all sources when determining the rate of pension. In the year ending March 1917, the average pension paid to a parent of a dead soldier was £27, which was just under half of the average £60 pension paid to soldiers who were disabled, and was slightly more than the average pension of £24 paid to old-age pensioners at that time.<sup>13</sup>

-----

- 11 Calculated from Annual Reports of Pensions Department, AJHR, 1911-1929, H-18.
- 12 War Pensions Act 1915, New Zealand Statutes, 1915, No.16, 6 Geo V, pp.26-36.
- 13 Annual Report of the Pensions Department, AJHR, 1917, H-18, pp.1-3.

Many parents availed themselves of this provision. Between 1924 and 1929, for instance, an average of 26 percent, or about 5,000 of the 20,000 odd war pensions were paid annually to parents of dead soldiers. On top of this an unknown proportion of pensions for dependents on disabled soldiers were paid to parents. Unfortunately published records do not specify how many of those parents were aged sixty or older. However, we do know that receipt of a war pension for parents had a minimum age limit of fifty and that receipt of a war pension did not preclude a person from also receiving an old-age pension, particularly if the individual had little or no other income.<sup>14</sup> By 1929, 1,471 of the 20,686 war pensioners were also old-age pensioners. It is most likely that these were parents of soldiers, which means that as much as 30 percent of the 5,000 parents receiving war pensions were probably women over sixty or men over sixty-five years old by the later 1920s: the proportions would have been smaller earlier.

---

14 In 1925, for instance, the income limit for an individual applying for the old-age pension was £97. If the person received a full old-age pension of £45 10s they were still allowed £51 10s of other income. As the average war pension paid to a parent in the year ending March 1925 was £35, a person could comfortably receive both pensions if they had no other income.

By 1920 the number of pensions to parents under the War Pensions Act was approximately 5,500 and remained roughly at this level throughout the 1920s. Since the minimum age limit was fifty, it seems fair to conclude that by 1929 a substantial proportion of the remaining 70 percent of parents receiving a war pension had also reached their sixties. If, by the mid 1920s, in addition to the war pensioners who were also old-age pensioners there were, for instance, another 1,000 war pensioners over sixty, this would help explain the drop in the percentage of old-age pension claimants: the elderly were receiving other state support. Unfortunately published sources alone provide only guidelines for an estimate, but the extensive war pensions archive would undoubtedly repay research which was not possible here.

At best we can only estimate the extent that new forms of pensions provided for the elderly. However, it seems likely that the number of elderly receiving other forms of aid remained roughly between 1,500 and 2,000 from the mid 1910s throughout the 1920s. It also seems likely that this number did not fluctuate much, because any growth in the proportion of war pensioners over sixty was counteracted by a rapid decline in this period in the number of Maori War pensioners. Between

1915 and 1929 this group had dropped from 1,388 to just 259 recipients as these old soldiers died. Nonetheless, the participation of the elderly in these newer forms of pension must be seen as a compelling possible explanation for the decline in the percentage of old-age pension claimants in the 1910s and early 1920s.

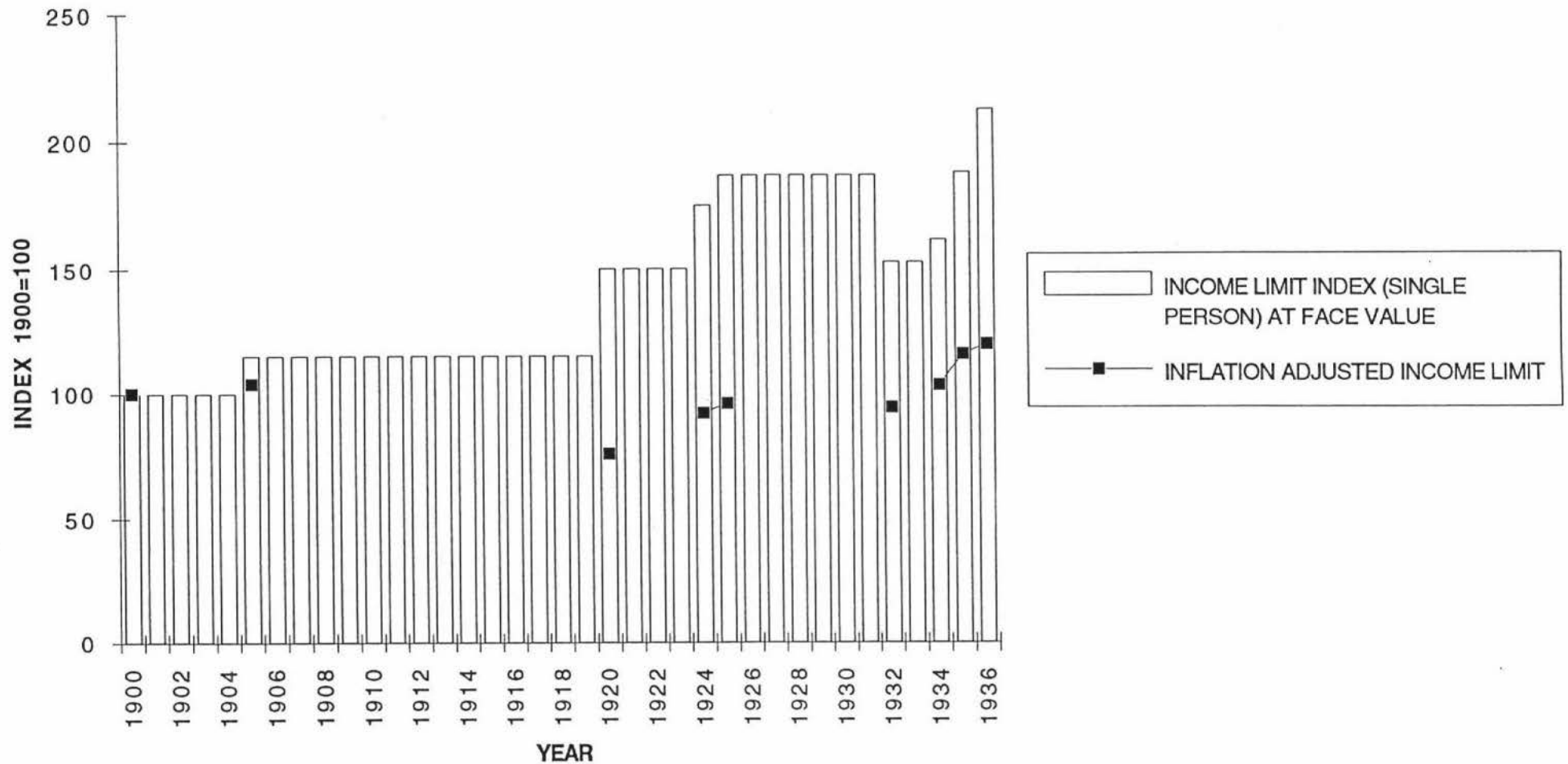
Another reason for the drop in the percentage of claimants applying for the old-age pension may have been that the elderly were becoming wealthier in this period. The rise in the proportion of new claims lodged which were rejected on the basis of income, from 3.5 to 6.5 percent between 1914 and 1928, supports this contention.<sup>15</sup> So, too, does the unexpected number of women aged sixty to sixty-four who did not qualify for the pension. Furthermore, a study of income limits between 1913 and 1929 suggests that there was little change in this eligibility criteria.<sup>16</sup> Graph 4.3 demonstrates

-----

15 Calculated from OAP files A50 to A181, NA.

16 This index does not take account of minor amendments made to the formulae for the calculation of income. For example, in 1908 Magistrates were granted the power to treat a claimant's income as the amount the individual would probably receive in the following year rather than the amount of actual income for the previous twelve months. This meant the Magistrate could grant pensions to individuals immediately when they lost employment rather than them being ineligible for the rest of the year. In 1925, all earnings in the previous year were excluded in cases where employment ceased. These amendments benefited the individual only in the year that he or she stopped working.

**GRAPH 4.3: INCOME LIMITS 1900-1936**



Sources: Consumer Prices Index in M.N. Arnold, "Consumer Prices, 1870 to 1919", Discussion Paper No. 12, (Victoria University, 1982); NZOYB, 1940, p.796; and New Zealand Statutes, 1900-1936.

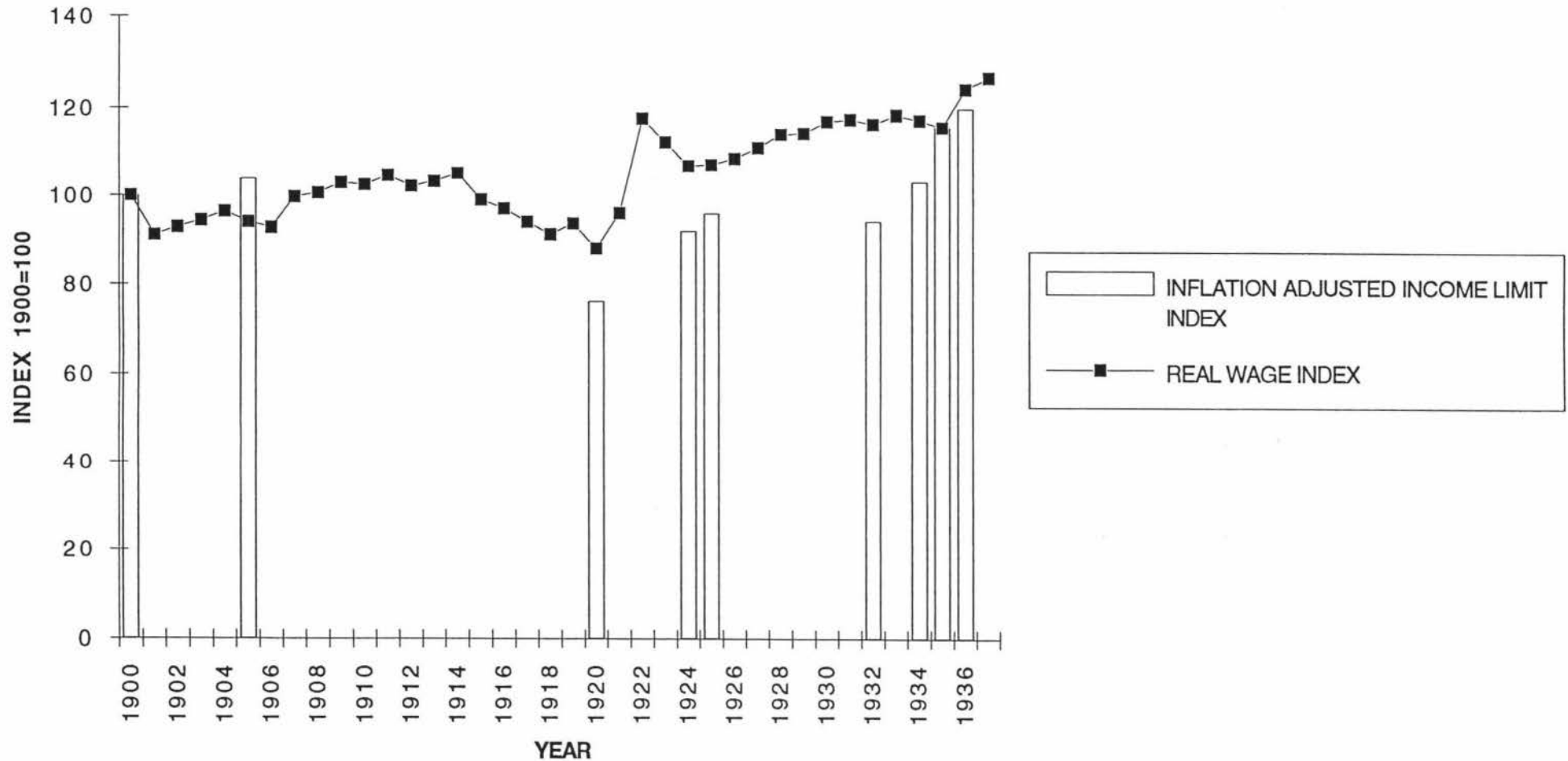
that when adjusted for inflation, amendments to the income limit did not represent major steps forward for pensioners, but rather maintained the status quo. However, when matched against the real wage index (see Graph 4.4) the income limit index can be seen to have roughly kept pace with the general level of wage earnings in society - that is, the income limit neither gained nor lost value relative to wages.

Some evidence might seem to indicate that the elderly were not becoming more affluent in this period. Between 1911 and 1921 men aged sixty-five and over classified in the Census as "actively employed" fell from 76 to 67 percent, and to 47 percent by 1926.<sup>17</sup> However, much of this can be attributed to changes in the Census, whereby individuals were now instructed to identify themselves as "retired" if they no longer worked rather than by their former occupations. It is also unclear what exactly constituted "actively employed". Consequently there are questions surrounding the level of employment of the elderly in this period, making it an unsatisfactory guide to their likely incomes.

-----

17 Census, 1926, Part IX:Industry and Occupations, p.8.

**GRAPH 4.4: INCOME LIMITS AND WAGES 1900-1937**



Sources: CPI in M.N. Arnold, "Consumer Prices, 1870-1919, Discussion Paper No. 12, and "Wages Rates, 1873 to 1911", Discussion Paper No. 11, (Victoria University, 1982); and NZOYB, 1925, p731; 1930, p851; 1940, p796; 1946, p614.

Taken alone the 1926 Census of income, the first of its kind, suggests that the elderly were not particularly wealthy. That Census reveals that 52 percent of Europeans eligible by age for the pension had no income or one less than £52, which represented just one-fifth of the average minimum wage of a carpenter in 1926.<sup>18</sup> While this suggests that elderly incomes were not large, it does not provide an insight into whether their level of wealth was changing. Other possible sources of elderly incomes in this period, for instance records of estate duties, prove equally inconclusive.

Furthermore, the elderly incomes reported in the Census may have been misleadingly low. The 1926 Census instructed people to exclude from their income declaration any allowance from relatives unless some service or work was performed. This means that monetary gifts from children, for example, to support elderly parents should have been excluded from the income stated in the Census return. Evidence from an earlier period suggests that this may be significant to some elderly. From a random sample of pension claims, contained in a handful of surviving magistrates' investigation books from

-----  
 18    *ibid*, 1926, Part XI:Incomes, p.5 and *NZOYB*, 1929, p.815. This was the average minimum wage of a carpenter employed in one of the main centres in 1926.



the Auckland, Paeroa and Helensville districts between 1899 and 1905, it is evident that such support was given to some elderly by their families.

For instance, I have established from a sample of 134 applicants that at least 26 percent received some form of family support, with declared gifts ranging from £5 to £20.<sup>19</sup> In addition, a further 25 percent failed to state whether they were recipients of family support. Pension files do not make it clear whether such support was given to the elderly by family in the 1920s. However, on the basis of this earlier data it seems likely that some elderly received additional income from family - the extent of which we cannot measure. The inclusion of parents in war pensions provision also suggest that senior family members could expect some support from their children in these later years as the State was prepared to compensate for this loss. The question of whether the elderly were or were not becoming more affluent and so ineligible for the old-age pension, cannot be settled.

Other possible reasons for a fall in new claims lodged are not particularly satisfactory. Margaret Tennant suggests in her

-----

19 This was calculated from random samples in files JC A21/8, A469/40 and A588/528, NA Record Centre, Auckland.

study of charitable aid that some people were unaware of old-age pension provision into the 1920s because individuals continued to make charitable aid boards their first port of call in times of hardship.<sup>20</sup> While a level of ignorance about the scheme's existence is undoubted, there is little to suggest that the general population was less aware of the scheme in the 1920s than in earlier years.

Others may simply have chosen not to apply because they perceived the scheme as charity or the investigation unacceptably severe or invasive. Letters in the Department files suggest that right up until the late 1930s some abhorred the notion of receiving aid which is how they saw the pension. One woman, for instance, claimed that all who accepted the pension "are treated nothing better than paupers".<sup>21</sup> Another woman recalled her grandfather refusing to apply for the pension because he would not accept "charity".<sup>22</sup> Once again, however, there is little to suggest that this attitude had grown dramatically from earlier years. Consequently, it seems most likely that new forms of provision for the elderly and increased affluence were the most plausible explanations

-----  
 20 Tennant, Paupers and Providers, p.148.

21 M. Byland to F. Lang, M.P, 7 April 1912, SS7 9/1/1, NA.

22 Letter from J. Wilson, 22 August 1988.

for the fall in the percentage of claimants.

The asset test again received legislative attention between 1913 and 1929. Regular adjustments to this furthers the perception that "progress" was being made in the old-age pension. By 1910, a £340 exemption was in place for the pensioner's home and furniture, and a £50 exemption was allowed for other property. The pension was still reduced by £1 for every £10 of property owned over these exemptions. By 1920 the exemption for the home was raised to £390 and the asset test equation looked like this:

All property (except life assurance policies)

- any mortgage
- £390 (for home and furniture)
- £50 (for interests in other property)

-----

= Net capital value of property

-----

The rules for reducing the pension because of property above the exemption meant that if the net value of the applicant's property was £390 or more that person would be disqualified for a pension. For a pensioner whose home was valued at £500, for instance, £390 was exempt leaving a net value of £110

(assuming there was no mortgage or other property). This would cause the pension to be reduced by £1 for each £10 of that £110 - that is, an £11 deduction from the £39 maximum pension.

The asset exemption of £390 for the home was not particularly generous. A satisfactory guide to the value of a home in the 1920s is difficult to find, but in the year ending March 1922 the average value of a private new dwelling was £725.<sup>23</sup> While a new home may not be a realistic reflection of what elderly people owned, it makes clear that a home of even modest value could still bring pension reductions. However, the average pension of £36 12s being paid in 1920 suggests that those who made it on to the pension roll were not especially asset rich, since the average pension was only marginally less than the maximum pension rate. Nonetheless, it is likely that the asset test deterred some from applying because by the mid 1920s home ownership was not uncommon. Included among the 286,400 households in the 1926 Census report were 60 percent who owned homes either by time payment, flat mortgages or outright.<sup>24</sup> The age distribution of owning households early in the century

-----  
 23 NZOYB, 1926, p.105.

24 Census, 1926, Part XII: Families and Households, p.2.

is unclear, but trends in more recent years suggest that the elderly own homes at substantially above average rates.<sup>25</sup>

In 1924 the asset test was altered yet again. The exemption for the home was raised to £520, and furniture and personal effects were excluded altogether. In 1925 this was changed once more, when the total value of the home was made exempt, although the effective limit on the value of other property was still £450. This meant the equation for calculating a pensioner's asset looked like this:

$$\begin{array}{l}
 \text{All property (excluding furniture, personal} \\
 \text{effects and annuities)} \\
 \\
 \begin{array}{l}
 - \text{ value of residential property owned by pensioner} \\
 - \text{ £50 from interests in other property} \\
 \hline
 \end{array} \\
 \\
 = \text{ Net capital value of property} \\
 \hline
 \end{array}$$

By 1926, after years of problems, the home was finally

-----

25 Again at best we can only estimate the level of homeownership amongst the elderly, however, the 1926 and 1981 Census results provide a useful guide. In 1926 approximately 60 percent of householders were "owners" with 20 percent of them owning their homes outright. In 1981 nearly 70 percent of householders were owners with the elderly having an ownership rate of over 80 percent (with almost all of that 80 percent owning their homes outright). *ibid*, p.2 and Report on 1981 Census, p.132.

totally exempted from the calculation of property. However, the remaining rules to reduce the pension by £1 for every £10 of net property still meant that applicants could be disqualified for the pension on the grounds that they were too asset rich.

From reading these legislative amendments a picture of liberalization is formed, as each change moved a little closer to excluding the value of the home from the asset test. Yet it is difficult to see how the "liberalizing" amendments translated into actual benefits for applicants. As Graph 4.2 illustrates the percentage of new claims lodged by the eligible population not already receiving the pension had begun to climb by 1926. Nonetheless, the total percentage of the population eligible by age who received the pension was still very low in 1926, sitting at just 25 percent. Furthermore, the proportion of new claims rejected on the basis of excess property remained static, at around 3-4 percent between 1917 and 1932.<sup>26</sup> No change is apparent after successive moves to loosen the asset test. This suggests that the property restriction was never as great a barrier as it was perceived to be by legislators and

-----

26 Calculated from OAP files A64 to A181, NA.

pensioners - in reality the income test excluded many more applicants.<sup>27</sup>

Successive adjustments to the rate of pension between 1898 and 1939 have also contributed to the illusion of "progress". However, changes in the rate of pension did little to increase its real value. Between 1898 and 1939 the maximum rate of pension was adjusted as outlined in Table 4.1. Graph 4.5 reveals that when inflation adjusted the maximum pension (which is what the majority of old-age pensioners received) changed little until the 1930s.<sup>28</sup> Graph 4.6 which compares the rate of change between the inflation adjusted pension and real wages bears out this finding. The two can be seen as merely keeping pace with each other - that is, the pension neither gained greatly nor lost value relative to wages.

When New Zealand was hit by price inflation at the end of World War One, Pension Department files reveal that some

-----

27 New claims rejected due to income excluded 3.5 percent of applicants in 1914 and by 1928 excluded as much as 6.5 percent of new claimants.

28 The average pension index and the inflation adjusted average pension index reveals a similar pattern reflecting very closely the experience of the maximum pension.

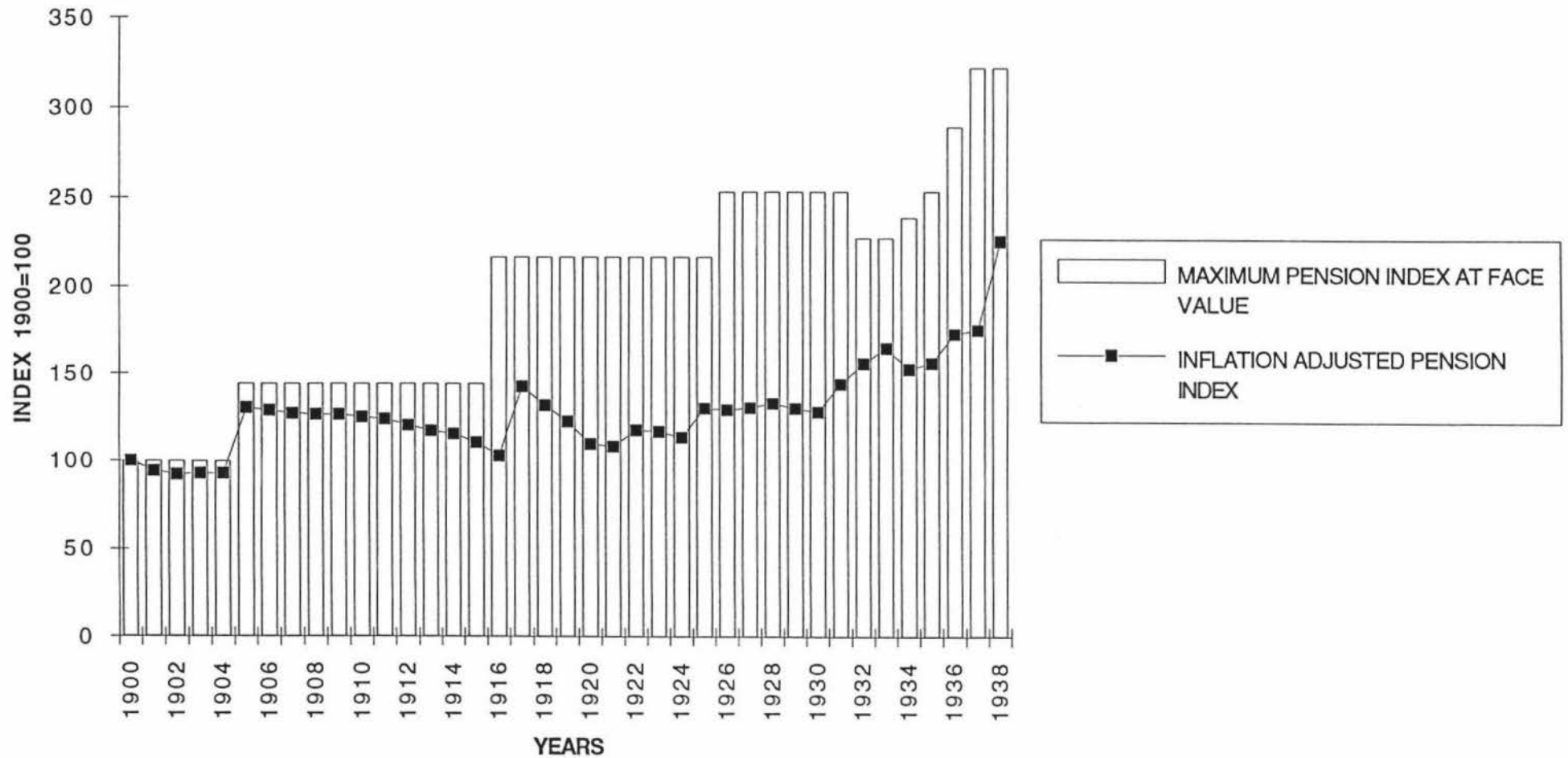
Table 4.1: Changes to Maximum Rate of Old-age Pension, 1898-1939.

Year	Rate (in £)
1898	18
1905	26
1917	26 (plus £13 cost of living bonus)
1920	39
1925	45 10s
1932	40 19s
1934	43
1935	45 10s
1936 (Sept)	52
(Dec)	58
1939	78

Sources: New Zealand Statutes, 1898-1939.

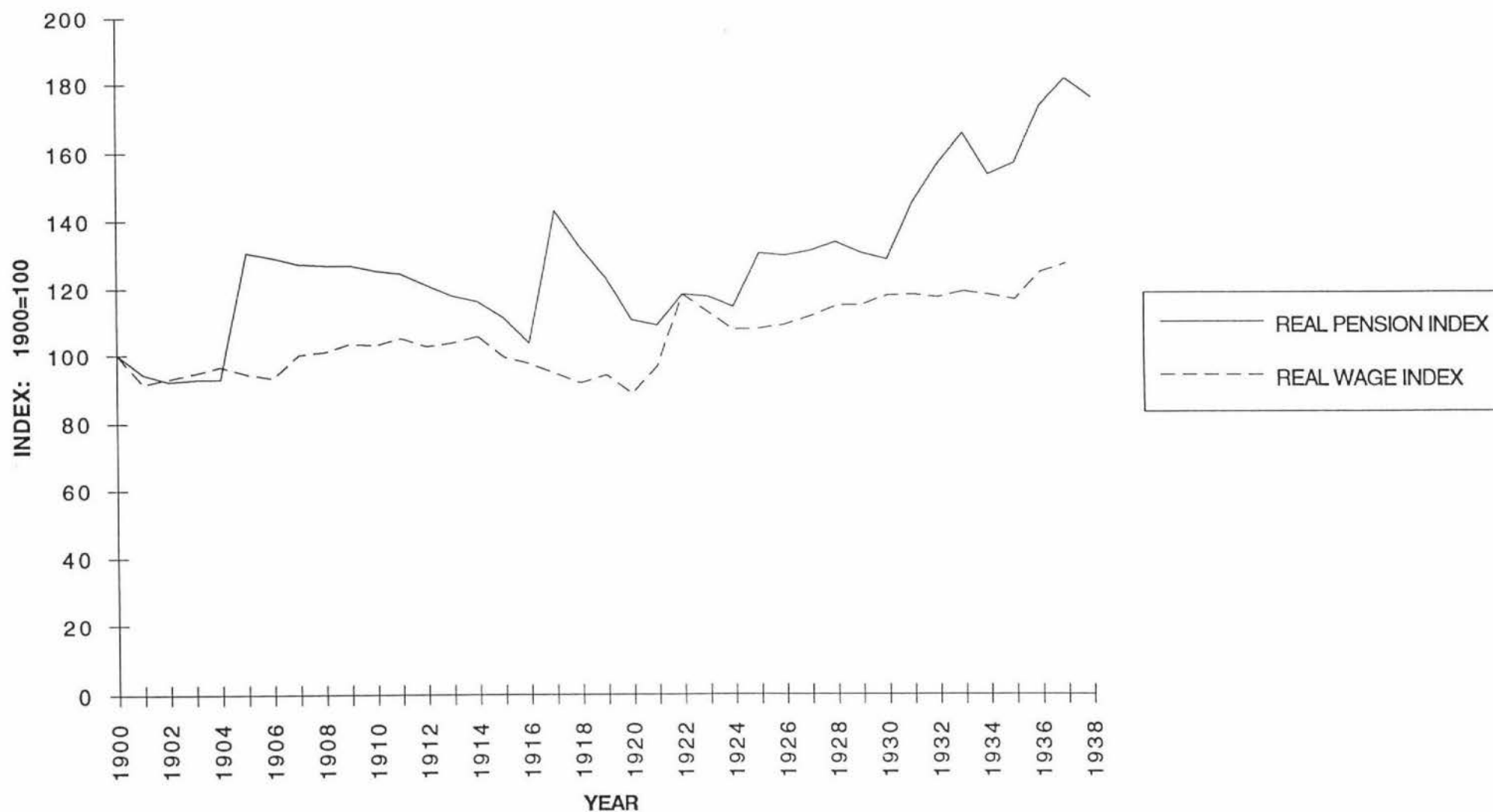


**GRAPH 4.5: PENSIONS AND INFLATION 1900-1938**



Sources: CPI in M.N. Arnold's "Consumer Prices, 1870 to 1919", Discussion Paper, No. 12, (Victoria University, 1982); NZOYB, 1940, p.796; and New Zealand Statutes, 1900-1938.

**GRAPH 4.6: PENSIONS AND WAGES 1900-1938**



Sources: CPI in M.N. Arnold, "Consumer Prices, 1870 - 1919, Discussion Paper No. 12, and "Wages Rates, 1873 to 1911", Discussion Paper No. 11, (Victoria University, 1982); and NZOYB, 1925, p731; 1930, p851; 1940, p796; 1946, p614.

pensioners called for increases to the rate of pension. In 1920 letters to Members of Parliament asserted, for instance, that it was difficult "to live on the present £3 5/- a month owing to the enormous increase in the price of living".<sup>29</sup> Other groups supported these calls, including ministers of religion and the Women's International and Political League, and some newspapers also bombarded politicians with appeals for increases.<sup>30</sup> One individual was very militant, urging old-age pensioners to form a union and "strike for larger pensions", and if this failed to "kick the Government Out" and "collar Treasury".<sup>31</sup>

Tougher economic times may not have been the only reason for such calls. By 1920, different levels of "deservedness" amongst the various types of pension were evident in the rates of pensions. The average old-age pensioner was paid £36, while on average Maori War veterans received £46 per annum, World War One pensioners £54 and miners' pensioners £56.<sup>32</sup>

-----  
29 S. MacLann to J. Rhodes, 22 April 1920, OAP A83, NA.

30 See W. Dale to R. Rhodes, 25 October 1920; Rev. J. Lothian to W. Herries, 4 November 1920; Women's International and Political League to W. Massey, 2 November 1920; and G. Seymour to Massey, 14 March 1920, OAP A83, NA.

31 Southland Daily Times, 1 July 1920, OAP A143, NA.

32 Annual Report of Pensions Department, AJHR, 1920, H-18, p.1.

In a relative sense it seems that old-age pensioners, the most "deserving" group of the early 1900s, had also lost status, falling behind newer groups of pensioners in the payments they received. This came through in complaints from the elderly. One person asserted, for instance, that old-age pensioners had "done as much towards developing the country" as other classes of pensioners.<sup>33</sup>

Reform, however, was unmoved by these calls. William Herries, then Minister of Pensions, received a deputation of old-age and widows' pensioners in 1920 who urged that the pension be increased. Herries responded by claiming that he was not "devoid of sympathy", but that the granting of a £13 cost of living bonus in 1917 had been a reasonable and recent increase.<sup>34</sup> Massey concurred, purportedly stating that the Government could not achieve its aim of reducing taxes if old-age pensions were increased.<sup>35</sup> Such a response was understandable. As Graph 4.6 indicates wages were not rising, and any increase to the old-age pension would have been disproportionate.

-----  
 33 MacLann to Rhodes, 22 April 1920, OAP A83, NA.

34 The Dominion, 1 November 1920, OAP A143, NA.

35 The Taumarunui Press, 11 September 1920, SS7 1/2/4, NA.

Calls for increases to the old-age pension were equally unsuccessful in 1924. George Anderson, Minister of Pensions from 1921 until 1928, this time received a deputation of M.Ps and old-age pensioners who wanted a 10s per week increase, citing as evidence cases of hardship amongst Wellington pensioners. These included, for example, the case of a Wellington pensioner who supposedly paid 10s per week in rent (at a time when the average weekly rent in Wellington was 31s 4d) while only receiving 15s pension.<sup>36</sup>

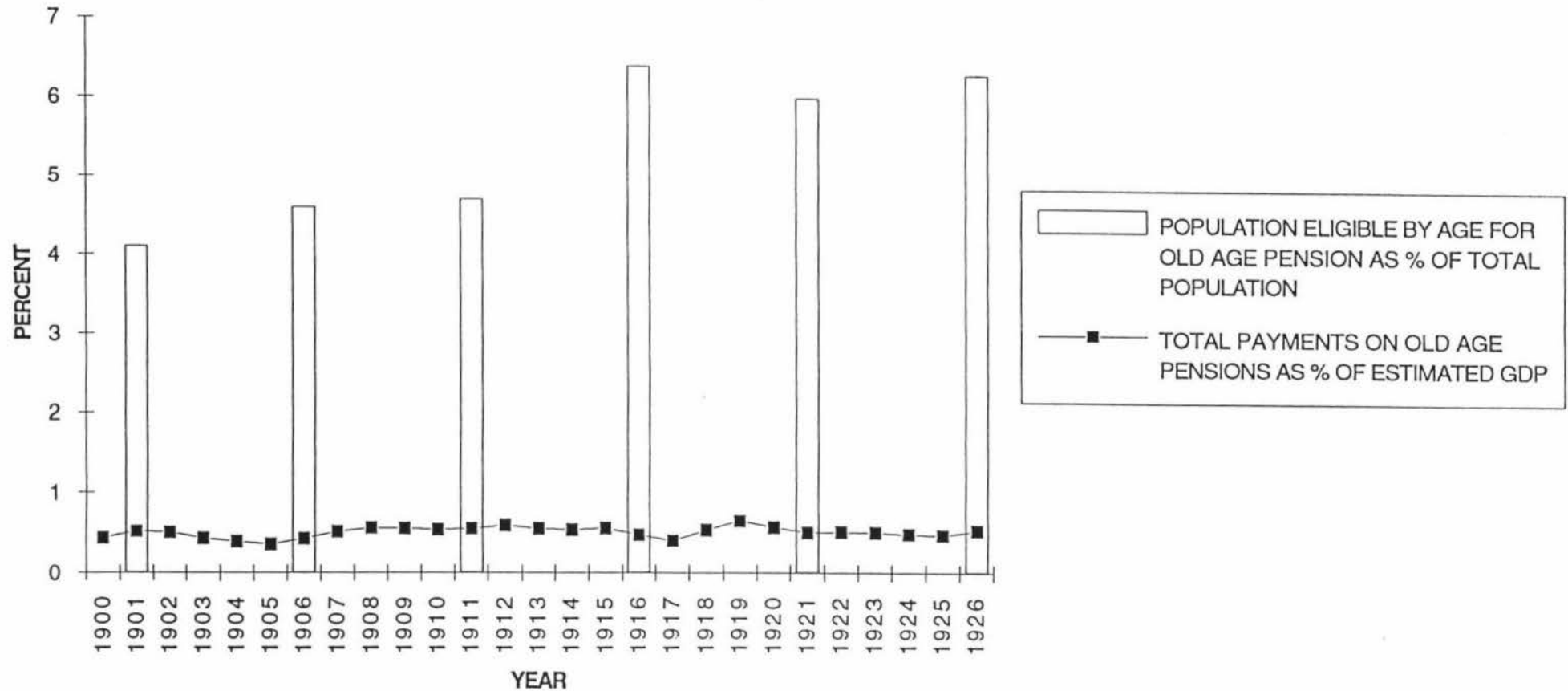
Further evidence of minimal change can be found in the total old-age pension spending as a percentage of the country's estimated gross domestic product (GDP) between 1910 and 1929. Graph 4.7 shows that between 1901 and 1926 the population eligible by age for the pension grew from 4 to 6 percent of the total population. Despite this growth, the proportion of estimated GDP that was spent on old-age pensions remained steady at about 0.6 percent.

This pattern is virtually replicated when measuring the proportion of government expenditure spent on pensions to

-----

36 OAP A143, NA.

**GRAPH 4.7: POPULATION ELIGIBLE BY AGE AND GDP 1900-1926**



Sources: Estimate (a) in G.R. Hawke "Income Estimation from Monetary Data; Further Explorations" in *The Review of Income Wealth*, Series 21, 1975, pp301-307. Tables 1A 1B in B.T. Lineham "N.Z's Gross Domestic Product, 1918-1938", in *NZ Economic Papers II*, 1968, pp15-27; and *Census*, 1901-1936.

the aged.<sup>37</sup> About 4 percent of government spending from the Consolidated Fund continued to be spent on old-age pensions between 1910 and 1929. A dip in old-age pension payments of up to 1 percentage point, however, did occur between 1919 and 1926 and can be attributed more to an increase in other areas of government expenditure, particularly war debts and new forms of pensions, than to a decrease in old-age pension spending.

Continuity dominated the years 1913 to 1929 in every area - age, income and asset tests and in the real value of the pension - which have previously fuelled the illusion of progressive liberalization. A number of factors contributed to this. While a lack of change was not a deliberate policy of legislators, a sense of disinterest can be detected regarding the elderly. In 1926, George Anderson, then Minister of Pensions, claimed that the volume of legislation covering the various pension schemes made it difficult for politicians "to keep in touch with the law".<sup>38</sup> This, however, raises the possibility that they also lacked

-----

37 Government expenditure from the Consolidated Fund 1899-1939 was derived from NZOYB. Total payments on old-age pensions as in Annual Reports of the Department, AJHR, H-18 and F-9, 1899-1939.

38 NZPD, 211(1926), p.367(Anderson).

the will to do so.

The elderly were not a central political issue in the 1920s. In the area of pensions, attention in Parliament was moving to provision of aid to the young, including the introduction of family allowances. On top of this, much attention was focused upon war pensioners, who seem to have been seen as the most "deserving" group of all as they had sacrificed life and limb for their country. The annual reports of the Pensions Department reflect this new concern from 1916 onward, and throughout the 1920s pension discussion focused almost exclusively upon the various classes of war pensioners. Furthermore, even the Labour members of Parliament were not particularly vocal regarding pensions in the 1920s, although some, like William Parry, participated in discussion when the annual report was laid before the House each year. Question time also produced a few queries concerning old-age pensioners, but these were usually related to individual cases rather than matters of principle.

It is possible that this disinterest existed because the old-age pension scheme was marginal to the majority of the elderly, since it benefited just one quarter of them in the mid 1920s.



This in turn provides an explanation as to why the scheme did not change. Julian Le Grand, in his studies of "middle class" or "non poor" involvement in the Welfare State, suggests that a universal scheme which benefits the middle class will gain wide acceptance and growing expenditure. In contrast, if the beneficiaries are few and poor, there will be little support or interest in expansion.<sup>39</sup>

Le Grand's thesis has credence in relation to the New Zealand old-age pension scheme. Firstly, only one-quarter of the elderly received the pension. The ages of those admitted suggest that two distinct groups - pensioners and non-pensioners - existed amongst the elderly. Between 1905 and 1909, for instance, the majority of European pensioners admitted each year - just over 70 percent - were in the sixty-five to seventy age group. Between 1914 and 1929 just over 74 percent of Europeans admitted each year were in the sixty to seventy age group.<sup>40</sup> This means that the majority of pensioners entered the scheme at or very soon after they became eligible by age. If a person was going to become a pensioner this was done

-----

39 R. Goddin and Julian Le Grand, Not Only the Poor, (London, 1987), pp.3-4.

40 Calculated from Annual Report of Pensions Department, 1905-1929 and OAP files A71 to A172, NA.

quite early, while the majority of the elderly would never apply at all.

Furthermore, the pension was seen by the bureaucrats administering the scheme as aimed at the poor. This was demonstrated in 1917, for instance, when the National Efficiency Board called for a relaxation of the income limit, because old-age pensioners who were willing to contribute to the war effort by working were reluctant to do so because the pension could be reduced or cancelled when it came up for renewal.<sup>41</sup> The Board asked the Government to remove the "objectionable" restrictions on pensioner earnings for the period of the war, but to no avail. Fache summed up the reason why, maintaining that a pension was:

an aid to poverty; and if people are  
able even at an advanced age to earn wages  
...there is no call for the State to assist  
them while earning by paying them an Old Age  
Pension.<sup>42</sup>

Myers, then Minister of Pensions, concurred. He informed the Board that in normal times rejections due to income "runs

-----

41 Chairman: National Efficiency Board to J. Allen, 2 March 1917, NEB Series 1/13, NA.

42 Fache to A. Myers, 17 October 1917, NEB Series 1/13, NA.

into hundreds per annum".<sup>43</sup> This was an exaggeration. In 1914, for instance, 144 of the 698 rejected claims were due to income.<sup>44</sup> However, rejection due to income was the most common cause of exclusion between 1913 and 1919.<sup>45</sup> Myers argued that any change to the income test would mean a "large number of people" would benefit by any concession made in the way of exempted earnings. On top of this there was a need to be "mindful of the heavy commitments of the country".<sup>46</sup> Cabinet did not approve any easing of the income test.

\* \* \* \* \*

Between 1913 and 1929 adjustments were made to how the old-age pension system was administered. These mirrored changes that were occurring to bureaucracy in general but did little to affect the scope of the scheme, with the exception of the handling of Maori claims. In his study of the origins of the State Services Commission, Alan Henderson suggests that from the early 1900s some Reform politicians, most notably Alexander Herdman, were pushing for public service reform.<sup>47</sup> This finally bore fruit

-----

- 43 Myers to Fergusson, 31 October 1917, NEB Series 1/13, NA.
- 44 OAP A54, NA.
- 45 OAP A54 to A78, NA.
- 46 Myers to Fergusson, 17 October 1917, NEB Series 1/13, NA.
- 47 Henderson, p38.

in 1912 when the Public Service Act was passed, and marked the beginning of non-political control of public service appointments in an effort to overcome the patronage system which had dominated the Liberal years. New regulations were issued which prescribed new standards of conduct and conditions of employment and appointment. Another aim was to "de-personalize" jobs, which meant the autocratic kind of power exercised by men like Smith would no longer be tolerated. These efforts to reorganize and professionalize the public service in the 1910s was followed by a period of retrenchment in the 1920s. The era was also dominated by demands for efficiency. After World War One an "Economies Committee" was established, with the specific aim of curtailing department expenditure and promoting efficiency within the public service.

These developments had a direct impact upon the Pensions Department. The Department was re-created in 1912 and Donald Robertson, the Commissioner of Pensions was promoted to the position of Public Service Commissioner. George Fache who had been associated with pensions from the scheme's early days was appointed the new Commissioner Of Pensioners, a position which he held until his retirement in 1929.

The Department's responsibilities grew not only with the introduction of new forms of pensions but also because it was considered more efficient by the Economies Committee to have all pensions administered by the one body. As a result pensions administered by other government departments were gradually brought under the Pensions Department's wing. In 1919, for instance, administration of Imperial Pensions was transferred from the Treasury Department and in 1920 epidemic pensions left the Health Department's care. The rehabilitation function of the Defence Department was handed over to the Pensions Department in 1922. Finally, in 1923 supervision of Boer War pensions and those under the Civil Service Act of 1908 also fell to the Department. All these schemes were small in scope.

These new responsibilities, combined with the emphasis upon efficiency and professionalism, helped bring about changes within the Pensions Department. In contrast to earlier years, the continuing move in the 1920s away from the judicial emphasis was pushed for from within the bureaucracy, rather than by the legislators. The result was a highly centralized administrative system from which the Magistrates were gradually excluded. Smith had started

the centralization process in 1903 but it was not until 1925 that the second important change occurred. Under the 1925 Pensions Amendment Act, the Commissioner was granted the right to investigate all renewal claims. This was significant because renewals constituted the majority of old-age pensions work. In 1924, for instance, Stipendiary Magistrates had granted 2,549 new claims but had renewed around 21,000 existing old-age pensions.<sup>48</sup>

Some members of the Magistracy advocated this change because they were tired of the heavy workload involved with old-age pensions. For example, in 1920 Howell Widdowson, the Stipendiary Magistrate for Dunedin, suggested that local officers of the Pensions Department should relieve the Magistracy from adjudicating pension claims.<sup>49</sup> Another Magistrate, William McKean, maintained that the Department "could quite efficiently administer its own affairs".<sup>50</sup>

McKean also revealed that the volume of pensions work caused him to ignore the Act's specifications concerning how the

-----

- 48 Annual Report of Pensions Department, AJHR, 1924, H-18, p.5.
- 49 Fache to W. Herries, 13 October 1920, OAP 190/ P46, NA.
- 50 W. R. McKean to Under Secretary, Department of Justice, 2 June 1925, OAP 190 /P46, NA.

system should operate. He stated that the workload made it "quite impossible" for him to personally investigate the statements of applicants, both for new claims and for renewals. In his opinion renewals represented a full time job and consequently he did not interview these claimants, but still certified in "thousands of cases" that he had duly investigated each renewal claim.

Officials at Head Office were also enthusiastic about reorganizing the system. However, their concern was not about Magistrates' overwork but to gain more power for the Department. As early as 1914 Fache urged Fisher, then Minister of Pensions, to amend the legislation so that claims would be submitted to the local Registrar, and then sent on to Head Office for determination.<sup>51</sup> This was a proposal for which Fisher had already declared his support.<sup>52</sup> The most compelling justification in the Department's view was that some Magistrates were still beyond its control. These included those who failed to adopt Departmental policy and interpretations, particularly in matters concerning the calculation of a claimant's income.<sup>53</sup>

-----

51 Fache to Fisher, 19 May 1914, SS7 9/1/1, NA.

52 NZPD, 162(1913), p.107(Fisher).

53 G. Anderson to Fache, 13 August 1925, OAP A152, NA.

Investigating renewal claims at Head Office from 1925 moved power to the civil servants. With Magistrates only adjudicating new claims, central pension officials now had to wait just one year before they could "correct" any Magistrate's decision. Such a move significantly diminished the importance of the Magistrate. Evidence of this lesser role can be seen in one former Pensions Department official's mistaken conviction that by the 1930s the role of the Stipendiary Magistrate was obsolete.<sup>54</sup> This was not the case - members of the Magistracy continued to adjudicate new claims until the introduction of social security in April 1939.

For pensioners this meant that the system of inquisition had altered. From April 1926 individuals had to endure just one initial, private court appearance to get on to the roll. But while they no longer had to face annual scrutiny in court, the Department still investigated each pensioner once a year. The near-disappearance of the court involvement was complemented by the reduced inquisitive role of the police. By the late 1920s Fache claimed that police reports were "mechanically filled"

-----  
54 Interview: R. Gillies, 29 November 1988.



without a visit to each claimant.<sup>55</sup>

Renewal of a pension involved the completion of an application form by the pensioner, which was then returned to the local official who referred the claim to Head Office for a decision. This centralization suggests that the local officials' personal knowledge about a district's claimants was no longer considered critical in the policing of pensions applicants. The loss of local authority was reflected further in the reorganization of pensions districts. In 1905, seventy-five pension districts existed but the centralizing tendencies of the 1920s prompted the formation of twelve district offices in 1927. These were situated in Auckland, Hamilton, Napier, Wanganui, Palmerston North, Wellington, Nelson, Christchurch, Greymouth, Timaru, Dunedin and Invercargill.

This reorganization secured the end of multiple job roles fulfilled by local pensions officials. In 1915, local registrars still held an average of 2.8 jobs per official which was a reduction from the 3.6 jobs held by each official in 1899.<sup>56</sup> By 1915, six registrars were employed full time,

-----

55 Fache to Anderson, 2 February 1927, SS7 9/4/2, NA.

56 Calculated from the NZOYB, AJHR, and New Zealand Gazette, 1899-1939.

and in total ten district officers were full time. This changed in 1927 when all twelve registrars became full time paid employees of the Pensions Department. Dependence upon other departments for key officials was all but over with the creation of a distinct pension bureaucracy.

Reorganization of the system not only meant that power now lay with central civil servants, but also that where renewals were concerned the system had become impersonal. At the local level the pensioner was still required to visit the registrar annually and furnish details. But the removal of decision making to Head Office meant that central bureaucrats had no face-to-face contact with applicants - for these civil servants pensioners were reduced to index cards and numbers.<sup>57</sup>

The pension bureaucracy thus expanded to a greater degree than the schemes it was administering. In 1913 the Pensions Department employed 28 permanent officials; by 1928 this had risen by 300 percent to 113. In contrast the total pensioner population administered by the Department had risen from 18,390 in 1913 to 54,249 in 1928, or a 195 percent increase. Greater growth in staff numbers is also evidenced in the increase in the cost of

-----

57 Interview: Gillies, 29 November 1988

administration - in 1913 this had represented just 1.6 percent of gross payments, and by 1928 had risen to 2.5 percent.

Such expansion seems surprising in a period when the public service was under pressure to retrench, and Pensions Department growth is impressive when compared to the growth in the public service in general. In 1913, there were 4,918 permanent staff of the public service; by 1928 this had grown by 57 percent to 7,707. The Pensions Department gained a large share of that growth, for between 1916 and 1929 it experienced a 239 percent increase in staff. In other departments, like Public Works and Defence, permanent staff were reduced. Others grew slowly - Education by 4.5 percent, Agriculture 14 percent, Customs 17 percent, and Labour 18 percent. They had, however experienced their major growth between 1890 and 1909. The Labour Department, for instance, which had been staffed by Edward Tregear alone in 1891 employed 83 fulltime staff by 1908. By comparison the Pensions Department size was small in this earlier period. Staff numbers increased as the responsibilities of the Pensions Department grew after 1912.

Oliver MacDonagh suggested, in studying nineteenth century

growth of British government, that growth of administrative structures produces its own impetus.<sup>58</sup> This seems true in the case of the Pensions Department, where central officials used prevailing arguments of efficiency to secure more power for the central office. This combined with the introduction of new pensions programmes helped breed bureaucracy. An increased workload encouraged the appointment of more staff. In turn this generated a petty bureaucracy to control this central staff. By the late 1920s Pensions Department files carried numerous memos concerning minor matters, for instance, tidiness, litter and ink bottles.<sup>59</sup>

The effect of this expansion upon pensioners is difficult to detect, either in pensioner numbers or in the proportion of cancelled pensions which remained at approximately 2 percent between 1921 and 1929. However, the handling of race in the 1920s provides one insight into how bureaucrats effectively made a tight administrative system even tighter.

In 1926, with control over renewals now within the central

-----

58 O. MacDonagh, A Pattern of Government Growth 1800-1860 - The Passenger Acts, (London, 1961), p.345.

59 See for example: L. Crow to All Sections OAP Department, 10 October 1924 and 28 February 1928, SS7 2/4/105, NA.

office, Fache decided that all Maori pension renewals would be at a reduced rate, unless the pensioner could prove that she or he had no interest in land.<sup>60</sup> Such proof involved the production of a certificate from the Native Land Court. His intended "Maori rate" was 71 percent of the maximum pension of £45 10s, or £32 6s. Fache believed that this reduction was quite legal under section 72 of the 1913 Pensions Act. This clause had been in the original Act and read as follows:

In determining the claim of any aboriginal Maori to a pension under Part I and Part II hereof, in so far as the same may be affected by rights or property held or enjoyed otherwise than under defined legal title, the Magistrate shall be guided by the following rules:

- a) In respect of "income", any customary rights used or capable of being used in respect of land the title of which has not been ascertained, but which is enjoyed or is capable of enjoyment, shall be assessed and determined by such evidence and in such Manner as the Magistrate in his discretion considers proper.
- b) In respect of "accumulated property", the interest in land or other property held or enjoyed under Native custom, or in any way other than by defined legal title, shall be assessed and determined by the Magistrate in manner aforesaid, with the view of arriving as nearly as may be at a decision as to the net capital value thereof for the purposes of this Act; and the discretion of the Magistrate thereon shall be final.<sup>61</sup>

Fache informed George Anderson, then Minister of Pensions,

-----

60 Fache to Anderson, 27 May 1926, SS7 9/9/1, Part 2, NA.

61 New Zealand Statutes, 1913, No.10, 4 Geo. V., p.59.

that by using this section as his legal base he had introduced the reduction policy in an effort finally to establish uniformity in Maori pensions. This action, he argued, was necessary because of the unsatisfactory situation that had existed under the Magistrates:

In those districts where the Magistrates have not been disposed to apply the section quoted, we had the spectacle of Natives residing in the same Pah (sic) with no doubt identical ownership drawing pensions varying from the maximum of £45 10s per annum down to below £20 per annum.<sup>62</sup>

Fache's move was to affect many Maori. Previously reductions were restricted to the few Magistrates who accepted this action. Under Fache's new rule approximately 80 percent of the 1,453 Maori pensioners were likely to be affected in 1927.<sup>63</sup> Furthermore, the precedent set here affected Maori under newer pension schemes as well. For instance, Fache informed Anderson that:

Widows' pensions have been similarly treated by me where the widow and her children have interests in Native land and are living Maori fashion, for the reason that it is impossible to discover what their interests really are.<sup>64</sup>

-----  
62 Fache to Anderson, 27 May 1926, SS7 9/9/1, Part 2, NA.

63 This represents the proportion that were renewals, rather than new claims which were still handled by the Magistrates.

64 Fache to Anderson, 27 May 1926, SS7 9/9/1, Part 2, NA.

This policy was questioned. One citizen, for example, wrote to the member of Parliament for Rotorua on behalf of local Maori to create awareness "that without any reason being assigned their old-age pensions have been substantially reduced since the first of April last".<sup>65</sup> Maui Pomare, the Minister for Cook and Other Islands, also took issue with the policy and wanted to know why "an arbitrary (and possibly unjustifiable) reduction" should be made among Maori old-age pensions.<sup>66</sup> Pomare had earlier questioned this situation because he was concerned at the number of Maori in the Kawhia district whose pensions were "materially reduced".<sup>67</sup>

In 1928 the Auckland Te Akarana Maori Association also joined the protesting voices by passing the following resolution:

That this Association is concerned at the practice of reducing the old-age pension for Maoris on the grounds that the requirements of aged Maoris are not those of aged Europeans. That the necessary evidence of landlessness should be considered sufficient on the declaration of the applicant supported by a reputable witness.<sup>68</sup>

-----

- 65 T. Lawson to F. Hockley, 4 May 1926, SS7 9/9/1, Part 2, NA.
- 66 M. Pomare to Anderson, 20 January 1927, SS7 9/9/1, Part 2, NA.
- 67 Pomare to Native Minister, 26 August 1924, SS7 9/9/1, Part 2, NA.
- 68 P. Smyth to Native Minister, 25 May 1928, SS7 9/9/1, Part 2, NA.

The Association followed this matter up in 1929 when eleven cases of reduced Maori pensions in the Auckland area came to its notice. This time the Association protested at the adverse affect upon Maori pensioners, stating the opinion that:

Aged natives have the same actual living expenses nowadays as have Europeans....The price of food, clothing, medicines etc are....charged similarly. The reduction...of their pension therefore weighs heavily and is a factor of much distress.<sup>69</sup>

However, such protests failed to alter the practice and gained little media coverage or mention in Parliament.<sup>70</sup> Fache, who prior to 1926 had claimed that he had scarcely experienced any difficulty in justifying reduced pensions, seems to have been equally as successful thereafter.<sup>71</sup> He informed Anderson that his initial explanation for reducing pensions in April 1926 stood, and even went on to suggest a further tightening, by laying the onus to obtain a certificate of landlessness from a Judge of the Native Land Court upon individual Maori applicants

-----

69 Assistant Secretary, Te Akarana Maori Association to W. Veitch, Minister of Pensions, 19 July 1929, SS7 9/9/1, Part 2, NA.

70 The Auckland Star was one paper that covered the Te Akarana Association's queries. See for example, 23 July 1929 and 16 July 1930, SS7 9/9/1, Part 2, NA.

71 Fache to Registrar of Pensions, Whakatane, 12 January 1925, OAP S161, NA.



rather than the Department.<sup>72</sup> This suggestion was adopted.

The 1920s also saw the development of a further punitive attitude towards Maori pensioners. Attention turned to how Maori spent the pension - echoing concerns of earlier days about individuals who wasted this provision in drink. In the mid 1920s, however, officials of the Pensions Department concentrated their gaze upon claims that Maori were donating their pensions to the Ratana movement. This was undoubtedly a manifestation of a broader concern, held by men like Apirana Ngata, about the followers of Tahupotiki Wiremu Ratana, whose message was Maori unity and who by the 1920s had formed a political as well as religious movement.

In 1926 and 1927 reports reached Head Office that in certain areas, including Hawkes Bay, Auckland, Coromandel and Wanganui, Maori pensioners were not spending the pension in maintaining themselves. This was a stipulation for all pensioners in the original Act, and was still included in the 1926 Pensions Act. In Wairoa, for example, the Registrar of Pensions reported that the Ratana movement was "fleecing" local Maori with at least eight old-age, eight military and one widows' pensioners involved. This supposed misuse of the pension took varying forms, including

-----

72 Fache to Anderson, 10 February 1927, SS7 9/9/1, Part 2, NA.

the depositing of the pension in the Ratana Bank, borrowing on the strength of the pension for travel to Ratana gatherings and so leaving individuals penniless for basics like food when they returned home, or investment in a Ratana General Store which promised cheap groceries. This venture was bankrupt in under three months.<sup>73</sup>

Fache immediately set about stamping out such behaviour, and gained endorsement from Anderson and Coates, the Native Minister.<sup>74</sup> In the Wairoa case he appointed a local Justice of the Peace to act as agent for the "deviant" pensioners.<sup>75</sup> In another instance, a Auckland old-age pensioner's allowance was suspended on the basis that she had misspent her pension.<sup>76</sup> The most common action, however, was the appointment of a storekeeper, from whom individuals received goods rather than cash.

The use of storekeepers as agents caused some Maori to be abused. By 1929 a group of Auckland pensioners claimed that they were not only denied the opportunity to buy goods more

-----

73 Registrar of Pensions, Napier to Fache, 21 June 1926, SS7 9/9/1, Part 3, NA.

74 Native Minister to Anderson, 23 June 1926, SS7 9/9/1, Part 3, NA.

75 Fache to Anderson, 23 June 1926, SS7 9/9/1, Part 3, NA.

76 Fache to R. Anihana, 27 May 1927, OAP R124, NA.

cheaply in other stores, but that they received no cash at all for needs that the store could not fulfill. On top of this they were often forced to take goods they did not want to make up their purchases to the amount of pension.<sup>77</sup> Such claims were supported by the local Registrar of Pensions, who concurred that the prices of this particular storekeeper were "considerably higher than town prices", although added that higher prices were charged "to make up for the large percentage of bad debts".<sup>78</sup> Yet even though the system was being misused by the agent, Fache was reluctant to relinquish control over these pensioners and refused to amend the system. In his view it was "the only satisfactory means of ensuring that the money is properly expended in the best interests of the pensioner".<sup>79</sup> Such handling of Maori pensioners reveals that the bureaucrats, particularly Fache, were very much in control of and active in keeping the scope of the old-age pensions scheme limited.

\* \* \* \* \*

- 
- 77 J. Topia to Registrar of Pensions, Auckland, 15 March 1929, SS7 9/9/1, Part 3, NA.  
 78 Registrar of Pensions, Auckland, 14 March 1929, SS7 9/9/1, Part 3, NA.  
 79 Fache to Topia, 23 April 1929, SS7 9/9/1, Part 3, NA.

The period 1913 until 1929 is characterized by an unchanging old-age pensions scheme. This was the consequence of inactivity due to the war, the low status of pensions in Reform's agenda, and a lack of interest perhaps because the scheme benefited only the elderly poor. None of the policy amendments represented a commitment to change. Adjustments to the asset test, for example, were a response to twenty years of problems administering the rules, rather than to some new spirit.

For pensioners policy amendments made little change - the value of the pension remained the same, the income test gradually excluded more from entitlement, and the age amendment had little impact. Bureaucratization of the system shifted power from Magistrates to civil servants, and did little to improve the pensioner's lot - particularly for Maori. In many respects this fits Hill's implementation model. Legislators uncommitted to the scheme, but unwilling to condemn a popular policy, placed constraints on the system. In earlier years the constraint had been a lack of pensions staff. By the 1920s the constraint was disinterest in extending the old-age pension system. As a result this scheme remained of little direct relevance to the majority for its first thirty years.

## CHAPTER FIVE: 1930-1939 - PRELUDE TO SOCIAL SECURITY

The 1930s is one of the most written-about periods in New Zealand's history. Two events dominate this discussion - the Depression in the early 1930s, and the election of New Zealand's first Labour Government in 1935. Contrasting themes, of good and bad or positive and negative, are characteristic in this historiography. Negative themes permeate the 1930s Depression years, with strong and emotive descriptions of widespread suffering, trauma and community disruption being commonplace. For instance, these years are seen as an "unending" period when "personal tragedy, social frustration and sectional unrest" existed in "an atmosphere of poverty and disbelief".<sup>1</sup> Soup kitchens, sugarbags and unemployed relief camps epitomize the early 1930s for many, and such

---

1 See Sutch, Poverty and Progress, p.218; L. Barber, New Zealand - A Short History, (Auckland, 1989), p.122; T. Simpson, The Sugarbag Years, (Auckland, 1984); Sinclair, p.258; and Sutch, Quest for Security, pp.126-129.

interpretations still inform some recent studies.<sup>2</sup> There are some dissenters, but despite evidence which suggests that many weathered the 1930s quite well, the illusion of reduced living standards and the experiences of the unemployed have remained symbolic of the hardship experienced by all.<sup>3</sup>

Positive themes of progress, hope and triumph, however, supplant this negative image with the election of Labour as Government in 1935. Labour's election is heralded overwhelmingly as a "turning point" since the new government introduced a comprehensive range of social measures.<sup>4</sup> The passage of the Social Security Act in 1938 is often seen as Labour's "Finest Hour", and as evidence of the inevitable march of progress over time.<sup>5</sup> While the Old-age Pensions Act of 1898 is hailed as the foundation stone of the Welfare State, the Social Security Act is seen as the much more substantial structure.

- 
- 2 See for example, T. Brooking, Milestones: Turning Points in New Zealand History, (Lower Hutt, 1988), pp.150-151.  
 3 See for example, G. R. Hawke, The Making of New Zealand - An Economic History, (Cambridge, 1985), pp.123-124.  
 4 Sutch, Poverty and Progress, p.230; Condliffe, The Welfare State; Sutch, Quest for Security, p.237; and R. M. Burdon, The New Dominion, (Wellington, 1965), p.211.  
 5 Burdon, p.211.

All this makes it seem surprising that in old-age pension policy the negative-positive theme pattern proves not nearly as clear cut as one might expect. Rather, positive changes can be detected in the early 1930s, and much more limited reform is evident in the latter years.

\* \* \* \* \*

It is ironic that it is more difficult to gain a clear picture of the pension system which existed by the 1930s than it was for the early 1900s. Even more problematic is any attempt to build up a profile of old-age pensioners by the 1930s. We know little, for example, about the gender, ages and former occupations of the 43,262 old-age pensioners who were on the roll by 1936. By the 1930s the Pensions Department annual reports provide only a basic summary of all types of pension, with elaboration occurring only to explain changes to the rules or new legislation. The Department's files are equally silent about pensioners by this time.

We do know, however, how the pension system operated and strong continuity is evident. In the early 1900s claimants

for an old-age pension were assessed annually by appearing before a Magistrate in open court. By the 1930s, applicants still went through this process, but in closed court and at the time of their initial claim only. This involved collecting a claim form and returning it to the local officer who investigated the answers. It was then placed before a Magistrate, who decided if the pension would be granted and at what rate. Once a claim was approved Head Office of the Pensions Department authorized payment to the individual through a local Post Office. In adjudicating new claims, members of the Magistracy were consistent in the proportion of applicants they accepted - in 1910 approximately 80 percent of claims were established and this was still the case in 1930.

The system for annual renewals of pensions had undergone major change. The individual was now no longer required to appear before a Magistrate in court, but simply completed a form declaring financial and personal details. This would be sent to Head Office, where it was decided whether the pension would be renewed or declined. For the bureaucrats administering the scheme this represented a major shift towards centralization and more power for the Department.



The reduction of the Magistrate's role also made the Department's archive considerably less colourful, as the placing of decisions into the bureaucrats' hands removed the former major sources of conflict.

Department files reveal that despite these changes some individuals still saw the old-age pension as tarred with the stigma of charity. In 1931, for instance, an applicant stressed that his claim for the pension was made with "a pang of regret", while others condemned the exposure of collecting the pension from the Post Office "before the public gaze".<sup>6</sup> Some also resented the persisting involvement of the police in investigating pensioners. This concern was perhaps overstated because by the 1930s police involvement was very limited, with the police only reporting upon the character and mode of living of a pensioner if there was evidence of some change in behaviour. Nonetheless, even this limited involvement was too much for one correspondent who stated that pensioners were "not on parole from prison".<sup>7</sup> The volume of such complaints in the Department files suggests that the extent of these views had changed little from earlier years.

-----

6 W. H. Ashford to W. Nash, 21 December 1931, Nash Papers 1005; and E. Dickson to M. Savage, 10 March 1936, SS7 9/1/1, NA.

7 E. Lindegaard to J. Boyes, 28 June 1935, SS7 9/4/2, NA.

Other pensioners were more inventive in their responses to the pension system, and fraud still occurred in the 1930s. It is difficult to even surmise at the extent of undetected fraud, but Department files reveal that some pensioners managed to "beat the system". Most of the detected fraud surfaced only after the pensioner's death, thus closing the Department's ability to prosecute the individual. Nevertheless, the Department usually attempted to recover any money from the individual's estate. In 1931, for example, the Department sought to recover £663 from a Wellington man's estate, because he had not disclosed his true financial position when applying for the pension. In another case, the Department discovered upon a Napier pensioner's death that she had received £717 of pension for which she was not eligible, because she had also failed to declare her savings.<sup>8</sup>

By the mid-1930s the number of old-age pensioners was increasing. The proportion of the total population eligible by age who received the pension had risen from 22,905, or 25 percent, in 1926 to 43,262, or 33 percent, in 1936. Shailendra Jain's

---

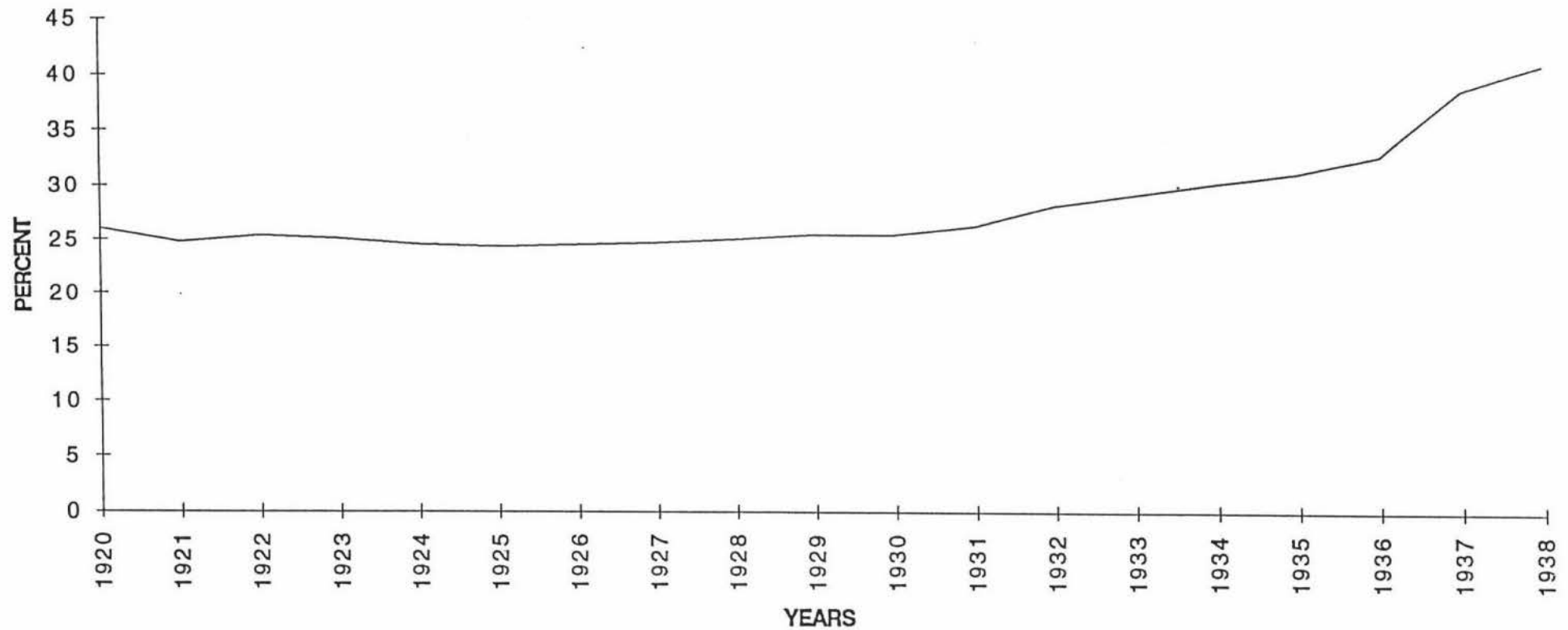
8 C. H. Taylor to Boyes, 24 November 1931 and 7 April 1933, SS7 9/1/16, NA.

Population Data enables us to pinpoint more clearly when change began. Graph 5.1 shows that the rise began in 1931 and continued steadily thereafter - that is, prior to the arrival of Labour and Social Security.

This was a result of a number of factors. For one thing, the elderly population was growing rapidly. Table 5.1 shows that in the decade 1916-1926 around 6 percent of the total population was eligible for the old-age pension by age, but by 1936 it was 8 percent. Between 1926 and 1936 the proportion of the population old enough for the old-age pension grew by 45 percent, whereas the total population increased by only 12 percent.

Second, greater participation in the pension scheme increased pensioner numbers sharply. That is, by the mid 1930s more individuals who were eligible by age but not already receiving the pension were applying for it. In 1936, for instance, 9 percent of those eligible by age and not yet receiving the pension applied for a pension, whereas in 1926 the figure had been just 6 percent.

**GRAPH 5.1: ESTIMATED NON-MAORI POPULATION RECEIVING OLD-AGE PENSION, 1920-1938**



Source: Shailendra K. Jain, Source Book of Population Data- New Zealand, Non-Maori Population 1921-1967 Volume III: Estimated Age and Marital Status Distribution of the Population, (Canberra, 1972); and Annual Report of Pensions Department, AJHR, 1920-1938, H-18.

Table 5.1: Growth of the Elderly Population, 1916-1936

Year	A: Total Population Eligible for Old-age Pension by age	B: Total Population (Non-Maori and Maori)	A as % of B
1916	68,186	1,059,215	6.4
1921	76,512	1,271,664	6.0
1926	89,334	1,408,139	6.3
1936	129,468	1,573,810	8.2

Sources: Census, 1916-1936.

The Pensions Department recognized this trend as early as 1932. In the annual report of that year it was noted that there had been a substantial increase in the numbers applying for the pension in the previous twelve months. This growth, of 3,322 pensioners and £118,319 in spending in one year was significant, because in the period 1919-1929 the average annual increase in old-age pensioner numbers was just 612. The Department attributed this rise to the "financial and industrial depression", and expected that "normal increases" would occur with a "return to prosperous conditions".<sup>9</sup> This outlook was unduly optimistic, given the underlying growth in the elderly population.

The sharp rise in old-age pensioner numbers is the type of evidence that has encouraged the belief that the elderly suffered greatly in the Depression. Such a view is well entrenched in our historical literature, and is reinforced by the passage of the Coalition Government's National Expenditure Adjustment Act in 1932 which cut old-age, widows' and miners' pensions by 10 percent. Sutch, for instance, condemned the

-----  
9     Annual Report of Pensions Department, AJHR, 1932, H-18  
      pp.1-2.

cuts because, "at a time when thousands could no longer help support the old people, old-age pensions were cut".<sup>10</sup> Laurie Barber declared that "with little thought for personal consequences the old-age pension was reduced", and Tony Simpson goes further claiming that the Coalition's economic measures were "trivial", "punitive" and "grotesque". Simpson also makes the extravagant and incorrect claim that old-age pensions were cut by 30 percent.<sup>11</sup>

The reduction to the old-age pension has, in short, become symbolic of the blatant mistreatment of the vulnerable by the government during the Depression. However, the almost exclusive focus on the legislation has once again blurred any realisation that the effect may not have been particularly punitive. While most historians stress the suffering inflicted upon pensioners by the cuts, few recognize that at the same time these cuts were offset by a sharp fall in prices. G. R. Hawke, in his economic history of New Zealand, suggests that prices fell in the early 1930s by as much as 20 percent.<sup>12</sup> The pension cut was not sufficiently large to have reduced pensioners incomes in real terms, as Graph 5.2 shows. In

---

10 Sutch, Quest for Security, p.133.

11 Barber, pp.127-128; and Simpson, p.13.

12 Hawke, p.123.

the early 1930s, during a period when the cost of living continued to fall, old-age pensioners enjoyed at least a 10 percent rise in real purchasing power.

Not only did the real value of the pension grow in the early 1930s, but after 1930 the share of estimated GDP spent on old-age pensions also grew. Between 1930 and 1933 this rose from 0.6 to 1 percent, in large part because GDP shrank. Between 1929 and 1933 estimated GDP dropped from £183 million down to £126 million.<sup>13</sup> Nonetheless, an increase in total pensions payments had still occurred, despite the cuts. Between 1930 and 1933 total old-age pension payments rose from £1,107,993 to £1,271,157.<sup>14</sup> This represented an increase of 15 percent: by comparison between 1920 and 1923 total payments on old-age pensions had only increased 3 percent, from £732,968 to £755,324.<sup>15</sup>

The prevailing belief that old-age pensioners suffered because of the cut also has little foundation when their experience is compared to members of the work force. Like pensioners,

---

13 B. T. Lineham, "New Zealand's Gross Domestic Product 1918-1938", in New Zealand Economic Papers II, (1968), p.16.

14 Annual Report of the Pensions Department, AJHR, 1930-33, H-18.

15 *ibid*, 1920-23.



workers also had pay cuts, but for some these cuts were over 20 percent. Graph 5.2 illustrates that despite a 10 percent cut to the pension its real value rose at a greater rate than real wages during the 1930s. Pensioners also had their incomes assured, but workers did not in the face of unemployment and underemployment.

On top of this, as is often unacknowledged by historians, the old-age pension cut was restored by 5 percent in 1934, prior to the election of the Labour Government. For an old-age pensioner this meant that the maximum weekly pension rose from 15s 9d to 16s 6d per week. Furthermore, by August 1935 the old-age pension was fully restored to £45 10s a year. This was at a time when the cost of living was about the same as in 1932, which meant that pensioners' purchasing power had increased further.<sup>16</sup>

Pensioners did not, however, perceive that in relation to the work force they were relatively protected and secure. Nor does there appear to have been resentment toward the elderly. Letters to the Editors of various newspapers condemned the cut to the old-age pension, but even more

-----  
16 NZOYB, 1946, p.600.

**GRAPH 5.2: PENSIONS AND WAGES, 1929-1935**



Sources: CPI in M.N. Arnold's "Consumer Prices, 1870 to 1919", Discussion Paper, No. 12, (Victoria University, 1982); and New Zealand Statutes, 1929-35; and NZOYB, 1930, p851;1940, p796 and 1946, p614.

vigorously criticised what was seen by some as the Government's delay in restoring them. One letter to the Nelson Mail denounced the pension cut as "heartless" and "despicable".<sup>17</sup> Another to the Auckland Star suggested that the Coalition had handed out "selfish treatment" to a "defenceless class" which could only be seen as symbolic of the "sad decadence of the race".<sup>18</sup> The Evening Post expressed similar opinions, running an article that promoted the idea that where pensioners were concerned the Government should allow its heart to rule.<sup>19</sup> The Labour newspaper, The New Zealand Worker was also among the voices of condemnation, arguing that the Government's actions were characterized by ruthless "inhumanities" which in the reporter's opinion included making pensioners survive on a "miserable pittance" that was "barely sufficient to keep them from hunger".<sup>20</sup>

Such sympathies suggest that at least some elderly may have experienced hardship during the Depression. However, contrary to popular belief the source of this suffering was not the cut

-----  
17 Nelson Mail, 16 October 1934, OAP A191, NA.

18 Auckland Star, 15 September 1934, OAP A191, NA.

19 Evening Post, 3 September 1934, OAP A191, NA.

20 The New Zealand Worker, 6 December 1933, OAP A179, NA.

to the pension in itself. Rather, there is evidence that the ability of the elderly to supplement their income through work was diminished. From data regarding employment in the Census it seems that elderly men were participating less in the work force by the mid 1930s. In 1926 47.4 percent of males aged sixty-five or above were actively employed. By 1936 this had dropped to 40.7 percent.<sup>21</sup>

Furthermore, Census statistics regarding unemployment suggest that elderly men were unlikely to gain new work if they became unemployed. In 1926, for instance, 3.45 males between fifty-five and sixty-four were unemployed for every 100 males of a similar age engaged in industry. For males sixty-five and over the unemployment rate was 4.87 percent. By 1936, the comparable rates were 15.5 and 6.8 percent.<sup>22</sup> However, since few statistics concerning unemployment by age are available for the actual Depression years, we can at best say that for the over sixties it would seem likely that finding work became harder between 1926 and 1936.

-----

21 Census, 1926, Part IX: Industry and Occupations, p.8; and 1951 Part 14: Industries and Occupations, p.154.

22 ibid, 1926, Part X: Unemployment, p 3 and 1936, Part XI: Unemployment, p.ii.

Elderly individuals were not only vulnerable to the loss of their own casual earnings, but were also potentially affected if family members experienced unemployment. Evidence of familial supplementation of the elderly's income is not good in this or any period, but there are signs that the incomes of some elderly had dropped. At face value, income returns in the Census suggest that the over sixties were finding things tougher by the 1930s. In 1926, 53 percent of Europeans aged sixty or older had total income of £52 or less. By 1936, nearly 59 percent of Europeans sixty or older claimed they had an income of £52 or less, that is at a date when the pension had been fully restored.<sup>23</sup> However, this does not take account of the fall in costs of living.<sup>24</sup> Nor do Census income returns necessarily reveal the extent of casual or occasional earnings.

Firmer evidence that some elderly experienced a drop in income can be seen in the reasons for rejected old-age pension claims. New old-age pension claims that were rejected on the basis of excess income, for instance, fell from 6.4 percent in 1930 to

---

23    *ibid*, 1926, Part XI: Incomes; and 1936, Part XII: Incomes, p.4.

24    NZOYB, 1946, p.600.

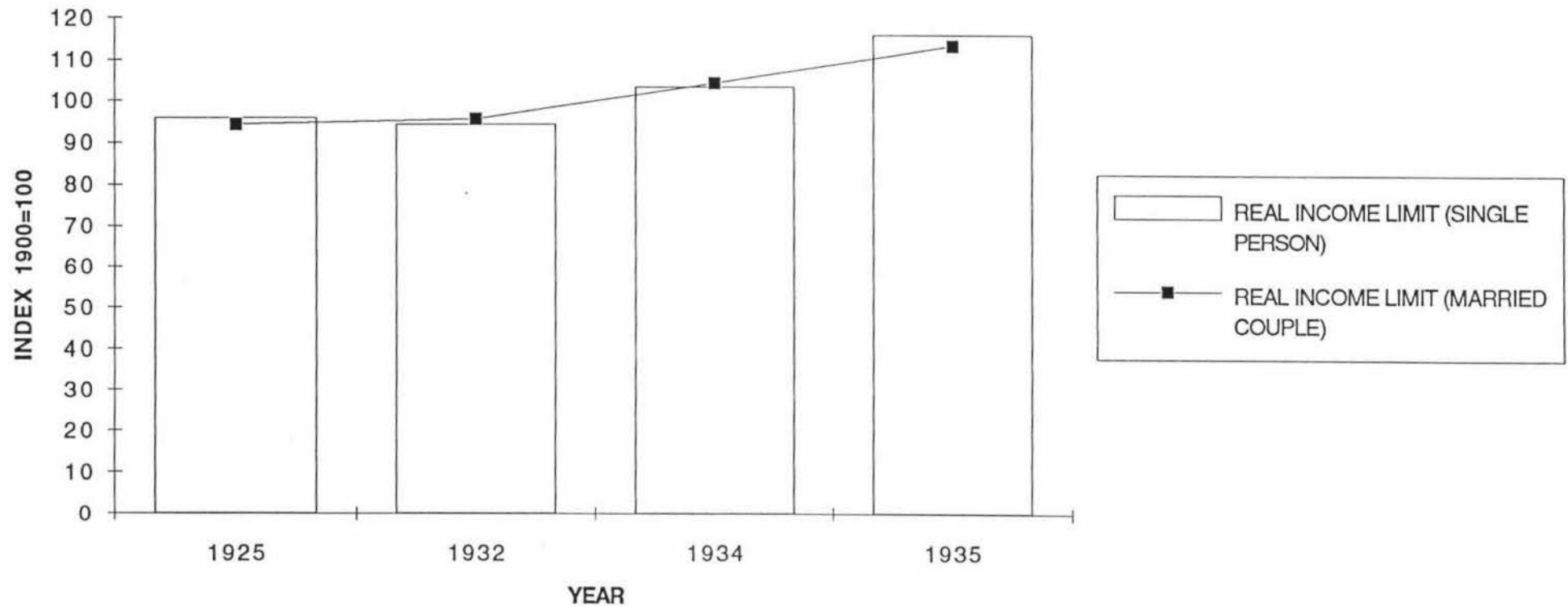
4.6 percent in 1932.<sup>25</sup> This reversed what had been a growing trend in the 1910s and 1920s. It also suggests that even though the allowable limit on total income was cut at the same time as the rate of pension, this action did not in effect make the income test tougher. Graph 5.3 demonstrates that when adjusted for inflation the income limit for a single person, which dropped from £97 to £79 10s, became slightly tougher whereas for a married couple, whose income limit was reduced from £143 to £125, the income test became marginally more favourable. Changes to the income test cannot be classed as a major factor in causing the elderly distress.

Other evidence that some elderly were experiencing difficulty can be found in the growing proportion of aged who turned to Charitable Aid Boards in the early 1930s. Old-age had long been identified by those administering charitable aid as one key cause of poverty. Between 1930 and 1934 cases of poverty due to old-age in receipt of charitable aid rose from 1,437 to 2,738, or from 1.2 to 1.9 percent of the elderly population.<sup>26</sup>

-----  
 25 Calculated from OAP files A175-A181, NA.

26 Hospital Statistics of New Zealand, 1930-1936.

GRAPH 5.3: INCOME LIMITS, 1925-1935



Sources: CPI in M.N. Arnold, "Consumer Prices, 1890 to 1919", Discussion Paper No. 12, (Victoria University, 1982); NZOYB, 1940, p796; and New Zealand Statutes, 1925-1935.

All this suggests that for some elderly work was more difficult to find, and family support less likely in the Depression. Yet ironically and contrary to most views pensioners in the early 1930s enjoyed a rise in real purchasing power.

\* \* \* \* \*

The Depression also impacted upon the bureaucrats administering the pension system. In his study of the Public Service, Alan Henderson shows that the early 1930s were dominated by retrenchment in the civil service. In 1930 an "Economy Committee" was set up to investigate ways of limiting and economizing in the state services. One major policy became the non-replacement of staff. In addition annual leave, higher duties allowance, and overtime payments to salaried officers were all suspended, and the standard weekly hours were raised from forty to forty-four for the same pay. In February 1931, the Committee also introduced a compulsory retirement policy for officers aged sixty and above, or those with or near forty years service and entitlement to superannuation. Retiring officials would not be replaced.<sup>27</sup>

-----

27 Henderson, pp.122-123.



Such changes had a direct impact on the Pensions Department. Between 1930 and 1933 the number of permanent staff fell from 111 to 102, or by 8 percent.<sup>28</sup> By comparison the number of permanent staff in the Public Service as a whole fell by 5 percent.<sup>29</sup> At least two of the permanent staff who left the Pensions Department at this time went under the new retirement policy.<sup>30</sup> This loss of experienced permanent staff was a serious staffing issue for the Department. Unlike the rest of the Public Service which shed 13 percent of its temporary staff, the Pensions Department did not lose any of its sixty temporary staff between 1930 and 1933.<sup>31</sup>

The decision not to replace staff meant that the remaining pension officials had a greater workload as they assumed extra duties caused by staff resignation and retirements. On top of this, the total pension population grew from 57,554 in 1930 to 72,580 in 1933. In 1930 there was 1 pension official to every 337 pensioners. By 1933 the ratio was 1:448 and by 1935 had climbed to 1:469.<sup>32</sup>

-----

28 Public Service Lists, New Zealand Gazette, 1930-1933.

29 Henderson, p.397.

30 New Zealand Gazette, 1931, No 51, p.1904; and SS7 2/4/49, NA.

31 Annual Report of Pensions Department, AJHR, 1930-1933, H-18; and Henderson, p.397.

32 Annual Report of Pensions Department, AJHR, 1930-1933, H-18.

The Depression had another effect on officials - pay cuts. However, as we have already seen in relation to old-age pensioners, such cuts have been overstressed in our historiography because of the failure to account for the cost of living. Retail prices, for instance, had fallen by 21.6 percent between 1926 and 1933.<sup>33</sup> Nevertheless, civil servants were exposed to two rounds of pay cuts and to new taxation requirements.

Under the Finance Act (No.1) of 1931 all state employees' salaries and wages were reduced by 10 percent, effective from 1 April 1931. The effect of this upon the staff of the Pensions Department was not as dramatic as might be assumed. For half of the permanent staff of the Department the cut was a flat 10 percent. For a Registrar of a district office who was normally paid £380 per annum, for example, pay was cut to £342. The remaining fifty-three pension officials also received the 10 percent cut, but this was mitigated by the receipt of an annual salary increment. Needless to say, these officials would have been even better off if the 10 percent cut had not been made at all

-----

33 NZOYB, 1946, p.600.

but the receipt of a rise allowed some to at least maintain the status quo with their pre-cut wage and in some instances meant a genuine increase since the increments ranged from 6.25 percent to 22.5 percent on the reduced salary.<sup>34</sup> They did even better in relation to the fall in prices.

In 1932 the National Expenditure Adjustment Act reduced the salaries and wages of public servants again. To be effective from the 1 April 1932, the cuts were this time to be graduated depending on the level of salary. Ministers of the Crown lost 15 percent. Those earning over £720 were cut by 12.5 percent. MPs lost 10 percent as did those earning between £225 and £720. Finally, those on wages less than £225 were cut by 5 percent. The National Expenditure Adjustment Commission which had formulated the Act also tried to stop the annual increment being paid to eligible civil servants. Civil servants argued that such a move represented a double pay cut and the Government abandoned that particular provision.<sup>35</sup>

John Boyes, who had replaced George Fache as the Commissioner of Pensions in 1929, was the only member of the Pensions

-----  
 34 New Zealand Gazette, 1931, No 51, pp.1904-1905.

35 Henderson, pp.125-126.

Department to receive a 12.5 percent pay cut. Fifty-three Registrars and clerks of the Department had their salaries reduced by a further 10 percent. The remaining forty-seven clerks, cadets and typists lost 5 percent. Of those, forty-one still received their annual increment which again ranged from a 4.25 percent increase up to 22.5 percent.<sup>36</sup>

On top of the pay cuts, as wage earners civil servants were also subject to new taxes which were introduced as a direct response to the Depression. In 1930, an Unemployment Levy was introduced to fund the work of the Unemployment Board. By 1931, European males aged twenty and over were levied £1 per year. In addition, an Emergency Employment Charge was introduced. This was a flat tax on all salary and wage earners paid by both men and women. Initially this tax was at a rate of 3d in £1 and later rose to 1s in the £1.

Even so, the real salaries of officials diminished only slightly. A registrar, for example, would have seen his salary of £380 in 1930 fall to £292 5s by 1933, as a result of the cuts and new taxes. But since prices fell by about

-----  
 36 New Zealand Gazette, 1932, No 76, pp.2550-2551; and SS5 3248, NA.

19 percent over the same period, the net effect was to leave him with only a real drop of about 4 percent in salary.<sup>37</sup> The staff who enjoyed an annual increment would have experienced no real loss and most would have been better off.

In brief pension officials in the early 1930s did experience a depression effect. The Department became smaller. Officials each had to administer more cases because of this and rising pensioner numbers. Officials were also required to work longer for no overtime, had their pay cut twice, and were required to pay new taxes. However, the majority kept their jobs in a period of high unemployment, and at least half of them still received their annual increments.

\* \* \* \* \*

In December 1935 the first Labour Government took office. That this event was a watershed and a sign of hope, ushering in an era of positive actions, is the interpretation that informs much of our historical literature. A shift in the language of our histories reflects this, as negative descriptions of the

-----

37 The New Zealand Gazette, 1930-1935; and NZOYB, 1946, p.600.

early 1930s give way to hearty accolades about Labour initiatives. Foremost in this process is the cataloguing of Labour's achievements. Labour's actions in the welfare arena are seen by Laurie Barber, for instance, as promising a "golden age" for the vulnerable.<sup>38</sup> The introduction of welfare legislation is also seen as crucial in restoring New Zealand's reputation as a social leader with the introduction of "the most comprehensive and advanced Welfare State in the world".<sup>39</sup> The passage of the Social Security Act in 1938 is hailed as Labour's crowning success. The dominant interpretation about what this meant for New Zealanders is epitomized by Sutch who suggests that the advent of social security meant:

more dignity and serenity in old-age,  
less anxiety and suffering during working  
life, less pinching and scraping and  
undernourishment, more freedom and humanity  
in family relationships, and to the individual  
person greater opportunity for self expression.<sup>40</sup>

Such a glowing view has entrenched the perception that the new measures introduced in the Social Security Act benefited everyone. Yet once again little commentary has focussed on the impact or results of the Social Security Act, but rather

-----  
38 Barber, p.135.

39 Castle, p.26.

40 Sutch, Quest for Security, p.237.

is dominated by the political and legislative developments of the Act. Measurement and assessment of the Act's actual effect warrants close study in its own right and across a wide time frame. Such a task falls outside the realms of this thesis, but a brief concluding analysis suggests that for the elderly the gains made under Labour were not as great as is popularly thought.

Labour's election did bring some gains for the elderly. This happened in two main steps. Firstly, in 1936 the Pensions Amendment Act was passed as an interim measure while the Social Security Act was being drawn up. This changed some of the eligibility criteria. The residence qualification was lowered from twenty-five to twenty years; the restriction on Asiatics was removed; past imprisonment was no longer grounds for debarment and income and property clauses were changed. The income limit was raised, and the standard £50 exemption for property was raised to £500.

This had a liberalizing effect. In the year April 1936 to March 1937, a record 17,191 new claims were lodged, and just 12 percent, or 2,008, of those were rejected.<sup>41</sup> This was a

-----

41 Annual Report of Pensions Department, AJHR, 1937, H-18, p.6.

markedly lower rejection rate than between 1930 and 1935 when an average of 19 percent of new claims were rejected each year.<sup>42</sup> Thirty-seven Asiatics were among those who gained, all coming onto the pension roll by March 1937.<sup>43</sup>

Further changes were made under the Social Security Act of 1938. The age benefit, which was the continuation of the old-age pension had a lower age limit of sixty for both men and women, and residency was reduced to ten years. By 1950, nearly 48 percent of those sixty or older received the age benefit, up from 33 percent in 1936. On top of this a new universal superannuation scheme was introduced for those over sixty-five with ten or more years residency.

However, while Labour abandoned some of the minor eligibility criteria, the age benefit retained many of the restrictive tests - most importantly, the income and property restrictions. Unfortunately published data regarding age benefits is limited during the years of World War Two, which makes it difficult to assess the effect of the remaining eligibility tests. Nonetheless, by 1947 the Social Security

-----  
42    ibid, 1930-1935.

43    ibid, 1937, p.6.



Department's annual report provides enough information to be useful. From this we can deduce that about 9 percent of the 14,000 new claims lodged were rejected in 1947.<sup>44</sup> Rejections remained at approximately this level at least until the end of the 1940s.<sup>45</sup> For applicants this was an improvement on the old-age pension system under which one-fifth of claims were refused. Nevertheless, after 1938 approximately one-tenth of claimants for the age benefit still failed to meet the scheme's criteria, and less than half the elderly received any old-age pension.

Assessment of moral worth was another criteria carried over to the age benefit from the old-age pension system. However, it seems unlikely that this was a major cause of rejections amongst age benefit applicants. Even under the old-age pension system rejection on this basis had diminished. Between 1913 and 1932, for instance, new claims rejected on the grounds of immorality dropped from 1.6 to just 0.3 percent of the claims filed, and the investigative role of the police was much reduced.<sup>46</sup> However, the Social Security Act kept alive

-----  
 44 Report of Social Security Department, AJHR, 1947, H-9, p.2.

45 ibid, 1947-1950.

46 OAP A50-A181, NA.

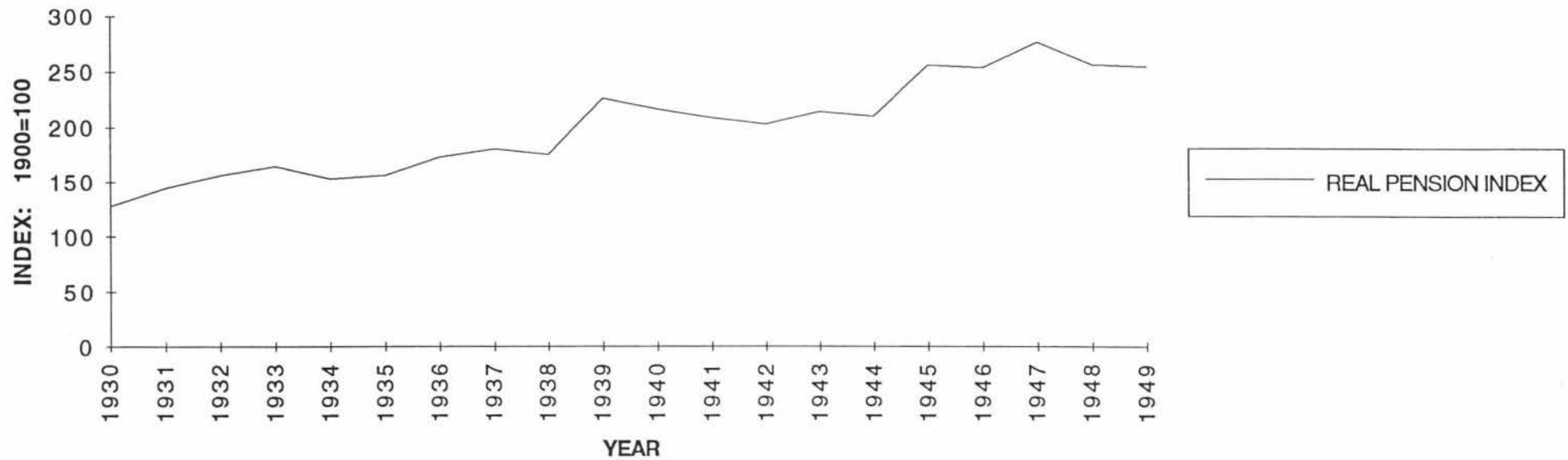
the possibility that the morality of elderly beneficiaries could be investigated, at least until 1962 when the police finally withdrew their time and support from the Social Security Department.<sup>47</sup>

After Labour's election, changes were also made to the rate of pension. The first of these occurred in September 1936 when the pension, which had already been restored by the Coalition Government to £45 10s, was raised to £52. This was raised again, to £58, in December 1936 and to £78 per annum with the advent of Social Security. Such a rapid rise seems impressive. However, prices were also on the increase, and when the rate of change in the real value of the pension post-1936 is compared to the 1930-1935 period it is evident that in financial terms Labour's election brought only modest extras to the elderly. (See Graph 5.4).

A comparison of maximum pension rates with wage rates suggests that the elderly fared relatively well under Labour policies. In 1930, for instance, the maximum old-age pension of £45 10s represented 17 percent of the average wage of a carpenter. By 1939, this had increased to 27 percent, by 1950 to 31 percent.

-----  
47 SS7 9/4/2, NA.

**GRAPH 5.4: REAL VALUE OF THE PENSION, 1930-1949**



Sources: M.N. Arnold, "Consumer Prices, 1870 to 1919", Discussion Paper No. 12, (Victoria University, 1982); NZOYB, 1940, p796, 1951-52, p764; and New Zealand Statutes, 1930-1949.

This pattern can also be seen when the pension is compared to a much lower-paid general farm hand. In 1930, the maximum old-age pension represented 25 percent of the average wage rate of a general farm hand, by 1950 47 percent.<sup>48</sup>

At face value this suggests the age benefit had increased by comparison to wages. However, wages alone do not represent total income. After 1938, wage earners received benefits from the State in other forms of income support through, for instance, State housing or family benefits.

The need to account for these additional benefits to wage earners is reinforced when we compare the maximum rate of old-age pension and age benefit to the median income for all males as recorded in the Census. Table 5.2 shows that the initial changes in 1936 represented a marked increase in the comparative worth of the pension due mainly to a sharp drop in income between 1926 and 1936. However, after 1936 - that is, under Labour - the age benefit can be seen as losing ground. In December 1936, for example, the age benefit represented 46 percent of the median gross income of all males, and by 1951 this had dropped away to

-----

48 NZOYB, 1934, p.580 and 1953, p.811.

Table 5.2: Median Incomes, 1926-1951

Year	A: Maximum Pension/ Age Benefit (£)	B: Median Incomes for all Males (£)	A as % of B
1926	45 10s	205	22.2
1936(Sep)	52	125	41.6
(Dec)	58	125	46.4
1945	104	310	33.5
1951	130	468	27.7

Sources: New Zealand Statutes, 1926-1952; and Census, 1926-1951.

just 28 percent.<sup>49</sup> The increase in this period in income taxes on earners would have lessened the apparent gain of the non-aged somewhat, but the gain was still real.

The spending on age benefits as a percentage of GDP also reveals that these beneficiaries were not making huge gains under Labour. In 1936 total spending on age benefits was £1,718,601, and represented just 1 percent of GDP. By 1951 total spending on age benefits represented 2.1 percent of GDP.<sup>50</sup> However, while spending on old-age pensions as a share of GDP had roughly doubled between 1939 and 1950, so too had the population eligible for the benefit by age. Graph 5.5 shows that in 1926 just 6 percent of the total population was eligible for the pension by age and by 1951 this had also doubled to just over 13 percent.

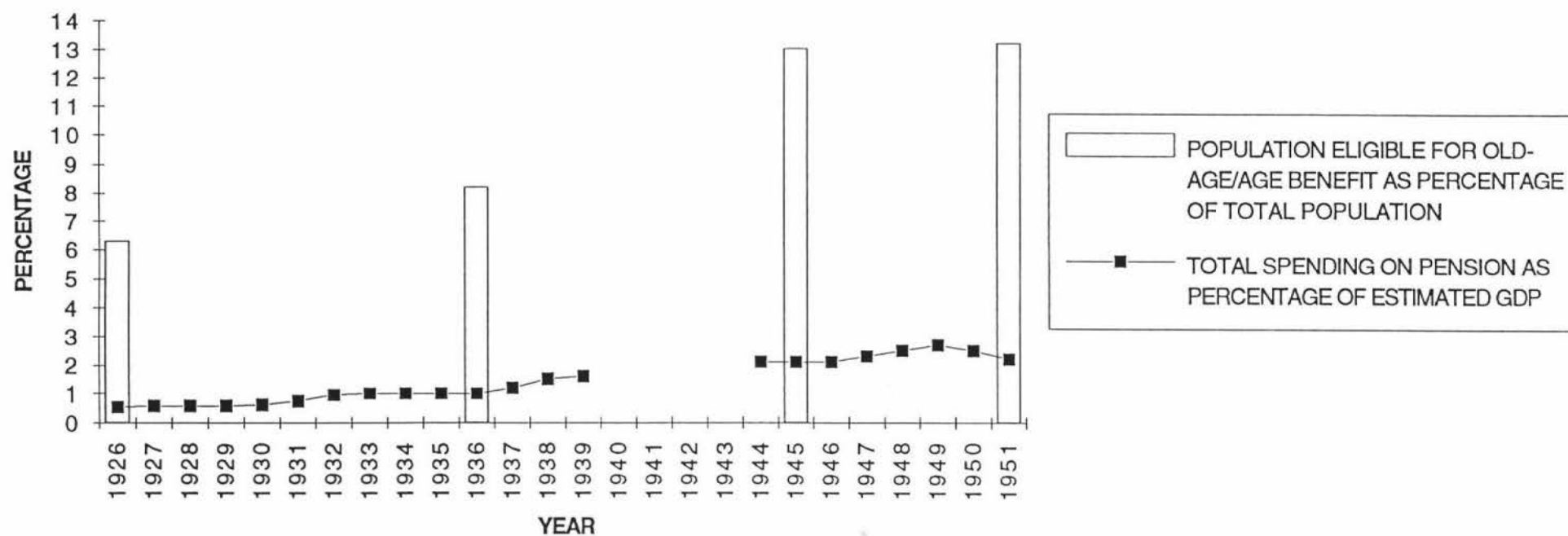
The reduction of Maori pensions provides further evidence that in some areas there were no gains for the elderly under Labour's policies. Prior to 1936 most Maori old-age pensioners received reduced pensions, because section 92 of the 1926

-----

49 Census, 1936, Vol XII: Incomes, p.1; 1945, Vol X:Incomes, p.1; and 1951 Part 15: Incomes, p.166.

50 NZOYB, 1954, p.653; and Annual Report of Pensions Department, AJHR, 1930-1939, H-18; Report of Social Security Department, AJHR, 1940-1951, H-9.

**GRAPH 5.5: POPULATION ELIGIBLE FOR PENSION BY AGE AND GDP, 1926-1951**



Sources: Tables 1A 1B in B.T. Lineham, "NZ's Gross Domestic Product, 1918-1938", in New Zealand Economic Papers II, 1968, pp15-27; NZOYB, 1954, p653; and Census, 1926-1951.

Pensions Act provided special rules for assessing Maori pensions in cases where individuals held customary rights in land.<sup>51</sup> The Department, however, could not justify a reduced pension if the pensioner could prove that no land was possessed other than under defined legal title, or could establish the extent of an interest so that an actual value could be ascertained. To receive a full pension the individual was required by the Department to produce a certificate from the Judge of the Native Land Court to prove these facts conclusively.

After Labour's election, the 1936 Pensions Amendment Act changed the law, but in real terms secured little gain for Maori old-age pensioners. The new clause read as follows:

4(1) In computing, for the purposes of Part 1 of the principal Act, the capital value of the accumulated property of any applicant for a pension, no account shall be taken of -  
 (a) His interest in any land (including his interest under any mortgage of any estate or interest of land).<sup>52</sup>

This clause meant that section (b) of the 1926 Pensions Act was

-----

51 Pensions Amendment Act, New Zealand Statutes, 1936, No.26, I Edw VIII, p.243.

52 Pensions Amendment Act, New Zealand Statutes, 1936, No.26, I Edw VIII, p.243.



redundant. Part (a) of the 1926 Act still stood, and allowed pensions to be reduced only where the applicant held customary rights in respect of land to which the title had not been determined. However, as Harold Digby Smith, the new Commissioner of Pensions from 1936, explained to William Parry, the Minister of Pensions in the Labour Government from 1936, the whole section was a dead letter. Very little customary land was still held in New Zealand, since the majority of native land had been investigated by the Courts and given title. Digby Smith concluded that "in a great proportion of cases there is no legal authority for continuing to pay reduced pensions".<sup>53</sup>

Even though there was no legal basis for such action, Maori pensions continued to be reduced. In May 1937 2,213, or 93 percent, of the 2,380 Maori old-age pensions were paid at reduced rates. In addition 90 percent of the 474 Maori widows' pensions were reduced. Digby Smith asserted that this practice continued because "Maori undoubtedly has a lower living standard than the European and his needs are fewer". Furthermore, he maintained that the communal lifestyle and the belief that much

-----  
 53 H. Digby Smith to W. Parry, 18 August 1937, SS7 9/9/1, Part 3, NA.

of the pension went to the younger generation rather than the pensioners made it necessary to reduce Maori pensions.<sup>54</sup>

The passage of the Social Security Act did not improve the position of Maori pensioners either. Although the Act dropped any specific reference to native lands, section 72, a discretionary clause, allowed the reduction of any benefit if the full rate was not thought necessary to maintain the beneficiary. The result was that the earlier practice of reducing Maori pensions continued in the case of both age beneficiaries and widows'. This remained the situation until at least 1945, when the Maori Social and Economic Advancement Act was passed. Only then did most Maori receive equal treatment in their benefits.<sup>55</sup>

In summary, under Labour's new Welfare State the elderly did enjoy some immediate benefits - conditions were liberalized and initial increases to rates of benefit seem comparatively favourable. On top of this, the elderly had the additional benefit of the modest superannuation scheme. Furthermore, the elderly would have gained from the new free health service which included free

-----

54    ibid.

55    SS7 9/9/1, Part 3, NA.

hospital and pharmaceutical services as well as subsidized general practitioners. However, neither 1935 nor 1938 represented a watershed in provision for the aged. The elderly were not a priority, and for most only modest gains were made.

This sense is supported by John A Lee in Simple on a Soapbox, in which he suggests that Labour leaders were not committed to spending on the elderly. Lee maintained that increases to the rate of old-age pension in 1936 were only made because caucus prevailed over the Labour leaders and that Michael Savage, then Prime Minister, was against raising the pension to 30s a week for fear that such generosity would make New Zealand "the laughing stock of the world".<sup>56</sup> Undoubtedly the animosity between Lee and Savage colours this account, but the unchanging real value of the pension and its diminishing value compared to median incomes gives his version some credence.

It seems likely that Labour saw the elderly as a symbol of welfare provision, and that as a result the rhetoric which so often focussed on the elderly was a marketing tool for a wider message. Evidence of this can be seen in the stage-managed rapturous response at the Annual Conference of the

-----

56 J. A. Lee, Simple on a Soapbox, (London, 1964), p.101.

Labour Party to an announcement that the rate of age benefit would increase after the election in 1938. Delegates were instructed that they were to cheer when Savage announced the increase because the speech would be broadcast. Lee was overwhelmed as the audience "cheered", "stamped" and "stood on chairs" and suggests in his account of this occasion that this was a vital symbol that such action was just the beginning of much wider changes.<sup>57</sup>

It also seems likely that the elderly only made modest gains because increasing attention was being spent on the young. Factors like the continually falling fertility rates, the effects of war and depression, and the "race threat", made the young rather than the elderly seem an increasingly vulnerable group. Evidence that the young were a greater priority in the new Welfare State can be seen when the increases to other benefits are compared to the age benefit. For instance, the base rate for a widows' pension increased 100 percent, from £65 to £130, between 1939 and 1949. In addition, the widow received an additional allowance for each child, plus the family benefit. The family benefit also increased by 150 percent between 1939 and 1949. This

-----  
57    *ibid*, pp.104-105.

provision was also extended to cover each child and the means test was removed. In contrast the age benefit increased just 67 percent, from £78 to £130, between 1939 and 1949.

For old-age pensioners, Labour's election did not mean huge change. Labour's emergence ushered in a change in consciousness about the role of the State and triggered a new spirit of optimism. But for the elderly the gains were modest, and quickly eroded. The popular and scholarly view that the position of the aged was transformed under Labour seems tenuous.

## CONCLUSION

Five themes have emerged as central in this thesis.

Firstly, the old-age pension system introduced in 1898 was, and remained, selective throughout the forty years of this study. At best, only one-quarter to one-third of the elderly benefited from the scheme, and even by 1950 still less than half received an age benefit.

Secondly, a pervading meanness is apparent in the scheme, at least for its first thirty years. Little change can be detected in the real value of the pension. This was most likely the product of its marginal nature. When the real value of the pension did finally increase, it was not due to the benevolence of legislators but as a result of economic turmoil which effectively cut the costs of living

- the Depression years were not as hard on old-age pensioners as many have assumed. Even after 1939 age beneficiaries made only modest gains relative to others in society.

Thirdly, discipline was a strong feature in the scheme, and was expressed in the use of the court system, the role of the police, and efforts to mediate both how pensioners behaved and how they spent the pension. Legislators responded to criticism about the judicial flavour of the system and softened it markedly after the first decade. However, some elements persisted and became further entrenched. Most notable, is the policy regarding Maori old-age pensioners which became tougher, and by 1939 had resulted in the majority of Maori receiving reduced pensions. Deservedness had a distinct racial dimension, and this was not a problem immediately overcome by the passage of the Social Security Act.

Fourthly, centralization was a major issue for those administering the scheme. From a minute office dependent upon sharing officials, the Pensions Department was transformed into a powerful central bureaucracy. This shift resolved much of the conflict between local

magistrates and central officials which had dominated from the 1900s into the early 1920s.

Fifthly, administrators were crucial in determining policy outcome. James Eman Smith established early that considerable power lay with administrators. In particular, Smith established new procedures and effectively created the pension system that dominated the next forty years. His various "unofficial" strategies to establish a central power base demonstrate how vital it is to look beyond the statutes.

These issues all serve to challenge the progressive thrust of our welfare historiography and its predominant focus on legislation. Since the historiography of the Social Security Act and beyond betrays a similar superficial gloss, this historian is left wondering what would emerge if such close scrutiny was given to later welfare measures.



## BIBLIOGRAPHY

### 1.PRIMARY SOURCES

#### A. UNPUBLISHED OFFICIAL PAPERS

1. The files listed below are held at the Hocken Library, Otago University, Dunedin.

#### Justice Series

Resident Magistrates Court Records - Clyde:

Arc G4 Old Age Pension Letterbook

Ja 10 1889-My 1902 (335)

Ma 21 1903-Sp 1906 (336)

Oc 12 1906-My 1907 (337)

My 18 1907- 1910 (338)

Arc G5 Magistrate Investigation Book 1889-1902 (333)

Resident Magistrate Court Records - Naseby:

Arc G8 Old Age Pension Letterbook

1902 - 1908 (2016)

1909 - 1916 (2017)

Resident Magistrate Court Records - Queenstown:

Arc G11 Old Age Pension Letterbook

1898-1899 (3382)

1899-1904 (3381)

1904-1910 (3383)

1910-1917 (3389)

2. The files listed below are held at National Archives, Auckland.

Justice Series

JCA 21/08 Auckland Old Age Pension Court Proceedings Book 1899  
 JCA 208/26 Coromandel Old Age Pension Claims 1897  
 JCA 208/27 Coromandel Old Age Pension Claims Register 1897  
 JCA 290/08 Te Aroha Old Age Pensions Claims Register 1899-1907  
 JCA 462/63 Warkworth Old Age Pension Claims Register 1896  
 JCA 469/40 Paeroa Old Age Pension Court Proceedings Book 1899-1906  
 JCA 497/63 Dargaville Old Age Pension Applications 1896-1910  
 JCA 497/68 Dargaville Old Age Pension Applications 1896-1910  
 JCA 588/528 Helensville Magistrates Notebook under Old Age Pension Act 1901-1904

Hospital Board Series

A 431/ 44 Thames Hospital Board Old Age Pension Installment Book 1910 - 1925

3. The files listed below are held at National Archives, Wellington.

Island Territories Series

3/3 1910-1912

Legislative Series

1/1894/ 9 Old Age Pensions Committee  
 1/1897/148 Details re Claimants  
 1/1897/149 First Report of Victorian Royal Commission  
 1/1897/150 Report from Select Committee on Old Age Pensions in New South Wales  
 1/1901/ 5 Old Age Pensions Regulations  
 1/1909/199 Report of the Royal Commission on the Poor Laws and Relief of Distress

- 1/1927/228 Regulations under the 1926 Act
- 1/1939/179 The Social Security Contributions Regulations 1939
- 1/1939/180 The Social Security (Monetary) Regulations 1939

Nash Papers

- 1004: 0001-0219; 0147-0169
- 1005: 0001-0934; 0935-1678

National Efficiency Board Series

Series 1

- 1/13 (Acc 42) Old Age Pensions - refusal to work on account o  
limitation of earnings

Post Office Series

- 15. (Acc 2083) Post Office Circulars 1907-1909
- 41. (Acc 2083) Register of Claims Received 1914-1927
- 43. (Acc 2083) New Zealand Pension Post and Telegraph  
Department
- 495. (Acc 2118) New Zealand Pensions 1901-1902
- 496. (Acc 2118) Imperial Pensions Paid 1906-1920
- 536. (Acc 2118) Old Age Pension Feilding Money Orders  
1914-1918

Seddon Papers

Series 2

- 2/ 18 Synopsis of Principal Acts between 1891-1900
- 2/ 29 Old Age Pension Minute Book

Series 3

- 3/ 19 Cuttings
- 3/ 61 Political Cartoons
- 3/ 62 Political Cartoons
- 3/ 63 Political Cartoons
- 3/111 Miscellaneous Albums
- 3/112 Miscellaneous Albums

Social Security Series

## Series 5

5/ 3237 Smith. H. D.,  
 5/ 3248 Boyes. J. H.,  
 5/10962 Waters. B. F.,  
 5/11022 Watson. W. L.,  
 5/17864 Downes, S. H.,  
 5/21251 Fache, G. C.,

## Series 7

## Sub Series 1 - Legislation

1/ 2/ 4 Amendments suggested 1902 - 1939  
 1/ 5/ 7 Sundry pensions and annuities

## Sub Series 2 - Department Organization and Administration

2/ 3/ 7 Circulars to Registrars (Part 1)  
 2/ 4/ 12 Defalcations, Forgeries (Part 1 and 2)  
 2/ 4/ 45 Staff: Leave (Part 1)  
 2/ 4/ 49 Retirements  
 2/ 4/ 54 Transfers of Officers (Part 1)  
 2/ 4/105 Staff Instructions  
 2/ 6/ 1 Legal proceedings and claims against department  
 2/ 6/ 20 Cabinet, Miscellaneous, Circulars

## Sub Series 4 - District Administration

4/ 1/ 8 Whangarei 1931 - 1941  
 4/ 7/ 8 Hamilton 1931 - 1942  
 4/12/ 8 Rotorua 1931 - 1942  
 4/15/ 8 Gisborne 1931 - 1941

## Sub Series 5 - Accounts

5/ 1/ 38 Social Security Fund  
 5/ 2/ 6 Questions in Parliament  
 5/ 2/ 7 Returns Ordered by Parliament

## Sub Series 7 - Extra, Department, Miscellaneous

7/ 4/ 3 Auckland Hospital Board  
 7/ 4/ 19 North Canterbury Hospital Board  
 7/ 4/ 31 Thames Hospital Board  
 7/ 5/ 4 Homes for Beneficiaries  
 7/ 6/ 1 Little Sisters of the Poor

Sub Series 8 - Overseas Countries

- 8/ 1/ 1 Imperial Conferences
- 8/ 3/ 2 United Kingdom: Old Age Pensions

Sub Series 9 - Social Security Act

- 9/ 1/ 1 Investigations of applications: inquiries general
- 9/ 1/ 2 Procuration of benefit - section 59(3)
- 9/ 1/ 5 Self deprivation of property or income section 62(d)
- 9/ 1/ 11 Payment of benefit
- 9/ 1/ 12 Assignment of benefit
- 9/ 1/ 13 Lapsed installments
- 9/ 1/ 14 Authority for payment during absence
- 9/ 1/ 16 Overpayments
- 9/ 1/ 22 Amounts accrued to date of death
- 9/ 1/ 25 Prosecutions: section 136 1899-1948
- 9/ 1/ 26 Declarations: section 139
- 9/ 1/ 29 Intestate Estates
- 9/ 2/ 1 Evidence of age
- 9/ 2/ 2 Verification of births, deaths and marriages
- 9/ 3/ 2 Applicants outside Dominion
- 9/ 3/ 5 Residence Cook Islands and Niue
- 9/ 3/ 6 Repatriation of beneficiaries
- 9/ 4/ 2 Character: police enquiries and reports 1903-1951
- 9/ 4/ 2 Character: police enquiries 1962
- 9/ 4/ 4 Convictions 1901 - 1920
- 9/ 5/ 1 Income (Pt 1)
- 9/ 5/ 4 Income: Friendly Society benefits
- 9/ 5/ 5 Income: Estates
- 9/ 5/ 6 Insurance Policies
- 9/ 5/ 8 National Provident Fund
- 9/ 5/ 21 Income: Profit from boarders
- 9/ 5/ 26 Income: Local bodies and other miscellaneous schemes
- 9/ 6/ 1 Property
- 9/ 6/ 3 Mortgages
- 9/ 7/ 2 Divorces, separations, legal and other
- 9/ 9/ 1 Maoris (Pt 2) 1904 - 1937
- 9/ 9/ 1 Maoris (Pt 3) 1919 - 1939
- 9/ 9/ 8 Maori Land Court
- 9/ 9/ 9 Ngati-Whakene Maoris

Sub Series 10 - Monetary Benefits

- 10/ 2/ 3 Age benefits - residential qualification
- 10/ 2/ 9 Age benefits - national endowment

Pension Department Files

A 2 Qualifications of Asiatics 1904 - 1936  
A 14 Old Age Pension Amendment Act 1902  
A 24 Old Age Pension Act 1898  
A 49 Pension Act 1913  
A 50 Annual Report 1913  
A 50a Annual Report  
A 50b Annual Report  
A 53 Act Amendment 1914  
A 54 Annual Report  
A 58 Ages at death  
A 64 Annual Report 1916 - 1918  
A 71 Annual Report 1917 - 1918  
A 78 Annual Report 1919  
A 80 Act Amendment 1919  
A 83 Act Amendment 1920  
A 86 Annual Report 1920  
A 87 Act Amendment 1920  
A 88 Annual Report 1921  
A 96 Pension Amendment 1924  
A 101 Annual Report 1922  
A 117 Annual Report 1923  
A 123 Appeal Board - Southland District  
A 129 Annual Report 1924  
A 143 Amendment Act 1924  
A 147 Annual Report 1925  
A 151 Amendments  
A 152 Pension Act 1925  
A 159 Annual Report 1927  
A 160 Pension Act 1926  
A 167 Annual Report 1928  
A 172 Annual Report 1929  
A 173 Act Amendment 1929  
A 175 Annual Report 1930  
A 177 Annual Report 1931  
A 179 National Expenditure Adjustment Act 1932  
A 181 Annual Report 1932  
A 183 Pensions Amendment Act 1932  
A 186 Annual Report 1926  
A 187 Annual Report 1933  
A 190 Annual Report 1934  
A 191 Old Age Pension Amendment 1934  
A 192 Annual Report 1935

A 193 Pension Amendment 1935  
 A 195 Annual Report 1936  
 A 203 Annual Report 1937  
 A 210 Annual Report 1938  
 B 168 Suggested Christmas bonus to pensioners  
 C 71 Commissions  
 C 73 Civil Service pensions  
 C 149 Civil pensions paid in Australia  
 D 21 Disasters  
 D 62 Disabilities  
 E 14 European war  
 E 19 Extended pension  
 F 89e Funeral expenses - Waipukurau  
 F 89h Funeral expenses - Palmerston North  
 F 89i Funeral expenses - Invercargill  
 H 5 High Commissioner  
 H 19 Recreation  
 H 111 Hospital charges (Part 1)  
 H 111 Accounts branch - hospital charges  
 I 6 Income  
 I 8 Imbeciles  
 I 23 Income - section 27 1913 Act  
 L 4 Life interests  
 M 67 Masonic benefits  
 R 3 Regulations  
 R 41 Suspension of rules and regulations  
 R 96 Rannerdale Home  
 R 124 Ratana - followers of  
 R 143 Railway concessions to civil pensioners  
 S 41 Section 8 (e)  
 S 45 Section 4 1914 Act  
 S 51 Solicitor-General's opinions  
 S 129 Section 8 (c)  
 S 159 Seamen's pensions  
 S 161 Section 9 1924 Act  
 S 168 Section 20 1924 Act  
 W 20 Wealthy relatives  
 W 292 Walton. E. L., S. M.,  
 U 1 Universal pension (Pt 1)

1904/A 5 Annuities 1902 - 1913  
 1904/A 7 Annual Report 1904  
 1904/A 8 Act Amendment 1900  
 1905/A 18 Annual Report 1903

1906/A 21 Act Amendment 1901  
 1906/A 22 Alteration of pension  
 1906/A 29 Allowance by Act 1905-1920  
 1906/A 31 Age qualification 1904-1936  
 1908/A 33 Act of 1908 1908-1912  
 1908/A 36 Amendment Act 1903-1908  
 1910/A 40 Amendment Act 1909  
 1910/A 45 Amendment Act 1910  
 1911/A 46 Amendment Act 1911  
 1912/A 47 Amendment Act 1912  
 1916/A 61 Alien officers  
 1908/C 45 Charleston Hospital 1914  
 1907/H 9 Home for aged needy 1900-1911  
 1906/H 20 State benefits and outdoor relief 1900-1938  
 1910/I 11 Income - exemption of 1906-1927  
 1910/I 12 Income - joint  
 1904/M 12 Maori councils  
 1908/M 12 Married couples  
 1908/M 14 Money from banks  
 190 /M 26 Payment to Charitable Aid Boards  
 190 /M 28 Regulations  
 190 /N 4 Native pensioners  
 1904/N 5 Native pensioners - Port Chalmers  
 1904/N 6 Native pensioners - Temuka  
 1904/O 6 Office accommodation - Christchurch  
 1904/O 7 Office accommodation - Dunedin  
 190 /P 46 Powers of Commissioner  
 190 /R 3 Regulations  
 1908/S 15 Sundry Old Age Pension schemes  
 1906/W 7 Wellington Hospital and Charitable aid Board  
 1904/W 10 Agents: section 44  
 H Miscellaneous  
 Acc 3513 Binder containing Wairoa - "Registration of People's  
 Claim Act, 1897".

#### PUBLISHED OFFICIAL PAPERS

Appendices to the Journal of the House of Representatives,  
 1893-1951, 1972, 1988.

As well as single reports noted in references, the  
 following were used:

Annual Report on Hospitals and Charitable Aid, AJHR, 1888-1910,  
 H-9 and H-22.



Annual Report of Labour Department, AJHR, 1893, H-10.  
 Annual Report of Old-Age Pensions Department, AJHR, 1899-1909, H-18.  
 Annual Report of Old-age Pensions Office: Division of Post and Telegraph Department, AJHR, 1910-1912, F-9.  
 Annual Report of Pensions Department, AJHR, 1913-1939, H-18.  
 Annual Report of the Social Security Department, AJHR, 1940-1951, H-9.  
 "The Royal Commission on the Cost of Living", AJHR, 1912, H-18.  
 Old-age Pensions Regulations Committee, AJHR, 1901, I-10.  
 Report of Commission on the Costley Home, AJHR, 1904, H-26.  
 Report of Commission appointed to inquire and report upon unclassified departments of the Public Service of New Zealand, AJHR, 1912, H-34.  
 Report of Royal Commission on Social Security, (Wellington, 1972), H-35.  
 Report of the Unemployment Board, AJHR, 1931-1935, H-35.  
 Report of Workers' Dwellings, AJHR, 1907, H-11b.

Bills Thrown Out, 1882-1898.

Census of New Zealand, 1896-1951, 1981.

Hospital Statistics of New Zealand, 1925-1936.

Journals of the House of Representatives, 1899-1939.

New South Wales Statistical Register, 1911.

New Zealand Gazette, 1898-1939.

New Zealand Official Yearbook, 1895-1954.

New Zealand Parliamentary Debates, 1882-1939.

New Zealand Statutes, 1896-1939

Official Year Book of the Commonwealth of Australia, 1909-1913.

Statistics of New Zealand, 1898-1899

## UNPUBLISHED UNOFFICIAL RECORDS

Hogg Scrapbook 5, WTU.

New Zealand Biographies, Volume 4, 1963, WTU.

New Zealand Obituaries, Volume 34, 1948, WTU.

Reeves, W. P., MS Papers 129, WTU.

## CONTEMPORARY BOOKS, JOURNALS, ARTICLES AND PAMPHLETS

Coghlan, T., A Statistical Account of Australia and New Zealand 1903- 1904, (Sydney, 1904).

Cyclopedia of New Zealand, 6 Volumes, (Wellington and Christchurch, 1897-1908).

Ffrost, J.W., Old Age Pensions, (Christchurch, 1894).

Drummond, J., The Life and Work of Richard John Seddon, Premier of New Zealand 1893-1906, (London, 1907).

Lee, John A., Socialism in New Zealand, (London, 1938).

Le Rossignol, J. E and W. D. Stewart, State Socialism in New Zealand, (London, undated).

Lloyd, H. D., Newest England - Notes of a Democratic Traveller in New Zealand with some Australian comparisons, (New York, 1900).

McIlraith, J. W., The Course of Prices in New Zealand, (Wellington, 1911).

Montgomery, W. H., "Old-age Pensions in New Zealand", The Review of Reviews, (1898).

Morrell, W. P., New Zealand, (London, 1935).

New Zealand, 1900.

The Journal of Public Health, Hospitals and Charitable Aid,

1:9, (1918).

Reeves, William Pember, New Zealand, (London, 1901?).

-----, The Long White Cloud, (London, 1898, 3rd edition, 1934).

-----, State Experiments in Australia and New Zealand, (Melbourne, 1969, first published 1902).

Rowntree, B. S., Poverty - A Study of Town Life, (London, 1899).

Siegfried, Andre, Democracy in New Zealand, (Wellington, 1982, first published London, 1914).

The Freelance - An Illustrated Journal of Information and Racy Comment upon the Topics of the Hour, 1903

Who's Who in New Zealand and the Western Pacific, (Wellington, 1908, 3rd edition, 1931, 4th edition, 1941).

#### NEWSPAPERS

Evening Post, 1963.

New Zealand Herald, 1898-1905.

Otago Daily Times, 1898-1905.

#### 2. SECONDARY SOURCES

##### BOOKS

Barber, Laurie, New Zealand - A Short History, (Auckland, 1989)

Bloomfield, G. T., New Zealand: A Handbook of Historical Statistics, (Boston, 1984).

Brooking, Tom., Milestones - Turning Points in New Zealand History, (Lower Hutt, 1988).

Brown, Bruce., The Rise of New Zealand Labour - A history of the New Zealand Labour Party from 1916 to 1940, (Wellington, 1962).

Burdon, R. M., King Dick - A biography of Richard John Seddon, (Christchurch, 1955).

-----, The New Dominion - A Social and Political History of New Zealand 1918 - 1939, (Wellington, 1965).

Castles, Francis G., The Working Class and Welfare - Reflection on the Political Development of the Welfare State in Australia and New Zealand 1890 - 1980, (Wellington, 1985).

Cohen, Stanley and Andrew Scull (ed), Social Control and the Statw, (New York, 1983).

Condliffe, J. B., New Zealand in the Making - A Study of the Economic and Social Development, 2nd edition, (London, 1963).

-----, The Welfare State in New Zealand, (London, 1959).

-----, Short History of New Zealand, (Auckland, 1938).

Easton, Brian, Social Policy and the Welfare State in New Zealand, (Auckland, 1980).

Fairburn, Miles, The Ideal Society and its Enemies - the foundations of modern New Zealand society 1850 - 1900, (Auckland, 1989).

Fraser, Derek, The Evolution of the British Welfare State - A History of Social Policy since the Industrial Revolution, (London, 1973, 2nd edition, London, 1984).

-----, The New Poor Law In the Nineteenth Century, (London, 1976).

Goodin, Robert. E and Julian Le Grand with John Dryzek, D. M Gibson, Russell Hanson, Robert H Haveman, David Winter, Not Only the Poor - The Middle Classes and the Welfare State, (London, 1987).

Gustafson, Barry, From the Cradle to the Grave: A biography of Michael Joseph Savage, (Auckland, 1986).

- Hamer, David, The New Zealand Liberals - the years of power, 1891 - 1912, (Auckland, 1988).
- Hawke, G. R., The Making of New Zealand - An Economic History, (Cambridge, 1985).
- Hanson, Elizabeth, The Politics of Social Security - the 1938 Act and some later developments, (Auckland, 1980).
- Henderson, Alan., The Quest for Efficiency: The Origins of the State Services Commission, (Wellington, 1990).
- Higgins, Joan, The Poverty Business - Britain and America, (Oxford, 1978).
- Hill, Michael, Understanding Social Policy, (Oxford, 1983).
- Howe, K.R., Singer in a Songless Land - A Life of Edward Tregear 1846-1931, (Auckland, 1991).
- Jain, Shailendra. K., Source Book of Population Data - New Zealand Non-Maori Population 1921-1967, Vol.3, (Canberra, 1972).
- Lee, John A., Simple on a Soap-box, (London, 1964).
- Lipson, Leslie, The Politics of Equality - New Zealand's adventures in democracy, (Chicago, 1948).
- McClements, L. D., The Economics of Social Security, (London, 1978).
- MacDonagh, Oliver., A Pattern of Government Growth 1880-1860. The Passenger Acts and their enforcement, (London, 1961).
- Maclean, F. S., Challenge for Health - A History of Public Health in New Zealand, (Wellington, 1964).
- Marshall, T., Social Policy, (London, 1974).
- Mendelsohn, R., Social Security in the British Commonwealth, (London, 1954).

- Milne, R. S., Bureaucracy in New Zealand, (Wellington, 1957).
- Mitchell, B. R., British Historical Statistics, (Cambridge, 1988).
- , European Historical Statistics 1750 - 1970, (London, 1975).
- Noonan, Rosslyn. J., By design: A brief history of the Public Works Department - Ministry of Works 1870-1970, (Wellington, 1975).
- Oliver, W. H., Further Steps Towards a Welfare State Since 1935, (Auckland, 1968).
- , The Story of New Zealand, (London, 1960).
- , Towards a New History ?, Hocken Lecture 1969, (Dunedin, 1971).
- Oram, C., Social Policy and Administration in New Zealand, (Wellington, 1969).
- Piven, Francis Fox and Richard Cloward, Regulating the Poor, (London, 1972).
- Polaschek, R. J., Government Administration in New Zealand, (Wellington, 1958).
- , Local Government in New Zealand, (Wellington, 1956).
- Scott, Dick., Years of the Pooh-Bah - A Cook Islands History, (Auckland, 1991).
- Scott, K. J., Welfare in New Zealand, (Wellington, 1955).
- Seddon, Thomas Edward Youd, The Seddons - An Autobiography, (Auckland, 1968).
- Simpson, Tony, The Slump - The 1930s Depression: Its origins and aftermath, (Auckland, 1990).
- , The Sugarbag Years - An Oral History of the 1930s Depression in New Zealand, (Auckland, 1984).

Sinclair, Keith, A History of New Zealand, (London, 1980).

----- (ed), The Oxford Illustrated History of New Zealand, (Oxford, 1990).

----- and W. Horrex, Looking Back - A Photographic History of New Zealand, (Oxford, 1978).

Social Security Department, The Growth and Development of Social Security in New Zealand, (Wellington, 1950).

Sutch, W. B., Poverty and Progress in New Zealand - A Re-assessment, (Wellington, 1941, revised edition 1969).

-----, The Quest for Security in New Zealand 1840 - 1966, (Wellington, 1966)

Tennant, Margaret, Paupers and Providers - Charitable Aid in New Zealand, (Wellington, 1989).

Thomson, David., Selfish Generations ? The Ageing of New Zealand's Welfare State, (Wellington, 1991).

Titmuss, Richard M., Essays on "The Welfare State", (London, 1963).

Thane, Pat(ed), The Origins of British Social Policy, (London, 1978).

-----, The Foundations of the Welfare State, (New York, 1982).

Webb, Leicester, Government in New Zealand, (Wellington, 1940).

#### ARTICLES

Arnold, M. N., "Consumer Prices 1870 to 1919", Discussion Paper No.12, (Victoria University, 1982).

-----, "Wage Rates, 1873 to 1911", Discussion Paper No.11, (Victoria University, 1982).

Hareven, Tamara, "The Last Stage: Historical Adulthood and Old Age", Daedalus, No.4, (1976).

- Hawke, G. R., "Income Estimation from Monetary Data: Further Explorations", The Review of Income and Wealth, 21, (1975).
- Lineham, B. T., "New Zealand's Gross Domestic Product 1918-1938", New Zealand Economic Papers II, (1968).
- Macdonald, Charlotte, "Descendant Informants and popular memory", New Zealand Culture Studies Working Group Journal, 8, (1984).
- Olssen, Erik, "Towards a New Society", in The Oxford History of New Zealand, (ed) W. H. Oliver with B. R. Williams, (Wellington, 1981).
- , "Towards the Ideal Society 1890 -1900", in Judith Binney et al, The People and the Land - Te Tangata me Te Whenua. An Illustrated History of New Zealand 1820-1920, (Wellington, 1990).
- Oliver, W. H., "Social Policy in the Liberal Period", NZJH, 13:1, (1979).
- , "Social Policy in New Zealand: and historical overview", in New Zealand Today: Report of Royal Commission on Social Policy, April 1988, Vol.1, AJHR, 1988, H-2.
- , "The Origins and Growth of the Welfare State", in (ed) A. D. Trlin, Social Welfare and New Zealand Society, (Wellington, 1977).
- Strachan, S., "Archives for Social History", NZJH, 13:1, (1979).
- Tennant, Margaret, "Duncan McGregor and Charitable Aid Administration 1886-1896", NZJH, 13:1, (1979).
- , "Early Indigents and Old Men's Homes", NZJH, 17:1, (1983).
- Thomson, David, "The Decline of Social Welfare: Falling State Support for the Elderly since Victorian Times", Ageing and Society, 4.4 (1984).



## UNPUBLISHED PAPERS, THESES and RESEARCH EXERCISES

Campbell, J. R., "The Political Origins of the Social Security Act of 1938", MA thesis, (Victoria University, 1964).

Chilton, M. R., "The Genesis of the Welfare State: A Study of Hospitals and Charitable Aid in New Zealand 1877-1892", MA thesis, (Canterbury University, 1968).

Ewing, I. S., "Public Service Reform in New Zealand 1866-1912", MA thesis, (Auckland University, 1979).

Freedman, E. M., "Old Age Pensions in New Zealand, 1840-1972", MA thesis, (Victoria University, 1977).

Gibbons, P. J., "Turning Tramps into Taxpayers - The Department of Labour and the Casual Labourer in the 1890s", MA thesis, (Massey University, 1970).

Hanson, E. A., "The Social Security Story: A study of the political origins of the 1938 Social Security Act", MA thesis, (Auckland University, 1975).

Manson, E. D., "Old-Age Pensions in New Zealand: the administrative process 1898-1905", Research Exercise, (Massey University, 1975).

Morris, S. C., "The Old Age Pensions Act, 1898", MA thesis, (Auckland University, 1952).

Penney, B. C., "Pensions in New Zealand", MA thesis, (Canterbury University, 1928).

Stenson, M. M., "Social Legislation in New Zealand 1900-1930", MA thesis, (Auckland University, 1962).

Tennant, M. A., "Indigence and Charitable Aid In New Zealand 1885-1920", PhD thesis, (Massey University, 1981).

Thomson, D., "Public Assistance in Provincial New Zealand - the real New Poor Law", Unpublished Paper, (1981).

-----, "Social Welfare and the Elderly in New Zealand", Unpublished Paper, (1981).

INTERVIEWS and CORRESPONDENCE

Interview, R. Gillies, 29 November 1988.

Interview, M. Knight, 25 August 1988 & 29 November 1988.

Four interviews regarding attitudes to old-age pensions.  
All were assured of confidentiality.

Letter, J. Wilson, 22 August 1988.