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THE  
CASE FOR STATE PENSIONS  
IN OLD AGE.

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# The Case for State Pensions in Old Age.

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## The Problem of Old Age.

NOT less tragic than the position of the unemployed workman is that of the aged craftsman. The man who does not give the fullest measure of work for his weekly wage is promptly discarded by an economic system which depends upon alert competition for its existence. Fortunate it is that sixty per cent. do not live to be replaced by active, able-bodied, hopeful young workmen, and left destitute. But a large minority meets this fate. Wages of men from forty-five years of age upwards, show a gradual and persistent decline. The roughest forms of labor are the first to suffer; but in skilled trades where deftness of handiwork is the first condition of efficiency and of continued employment, the attainment of fifty-five years of age is usually accompanied by a reduction of earnings. The Bradford weaver has to abandon one of his two looms as he advances in years; the Lancashire cotton-spinner, and the head-piecer who has never become a spinner, have to seek for work in mills where the machinery is older and does not run so rapidly; the bricklayer is unable to lay as many bricks, and the compositor to set as many ems; the seamstress's sight fails; the dock-laborer, rheumatic through exposure to the weather, finds his place occupied by more vigorous competitors from the country villages. Besides, with old age come recurring and lengthy illnesses. Some idea of the extent to which such illness restricts wage-earning capacity may be gathered from the fact that whereas the average member of the Manchester Unity of Oddfellows receives 17s. 11d. per annum in sick allowance,\* those members over sixty-five years of age receive £7 4s. 9d. each. This means that while the average member is subject to about eight days' illness in every year, the aged ones are afflicted for over sixty days, or practically during one-fifth of the working year.

To young people in the full flush and energy of early life, old age appears so far off that it is not easy to induce them to provide for it in any class. In the laboring class they cannot afford to provide for it, be they ever so prudent. An examination of existing methods of provision only proves how inadequate and futile they are.

\* The figures for 1894 are: 731,846 members, £655,936 10s. 1d. total sick allowances.



### The Extent of Existing Provision.

This may roughly be summarized in three main forms : (1) Individual saving, (2) State assistance other than that rendered by the Poor Law, and (3) Combined mutual effort.

(1) The first form may be left out of the question. A few pounds, painfully accumulated in a cracked tea-pot, are easily stolen and soon spent upon the first serious illness. There is probably less of this form of saving now than there was fifty years ago.

(2) Assistance by the State has taken the shape of the Post Office Savings Bank and of State annuities. In 1865 a scheme of annuities was established ; but in the succeeding thirty years only 22,924 immediate and 2,238 deferred annuities were purchased.\* For convenience of calculation, the amounts invested in Trustee Savings Banks may be added to the investments in the Post Office Savings Bank, showing a total, in round figures, of £140,000,000. This seems imposing ; but as it is shared amongst 6,964,000 depositors, the average investment per individual is only about £20.

(3) Of combined mutual effort, there are four methods :

#### (a) BUILDING SOCIETIES.

Excepting in certain well-defined districts, such as Woolwich, the large cotton-spinning towns, and the smaller towns in the vicinity of coal-mines, the main body of investors is drawn from the middle and shopkeeping class. The security of building societies is mistrusted, sometimes with reason ; and their benefits are beyond the reach of all except the best-paid artisans. They do not touch the main problem.

#### (b) CO-OPERATION.

The Co-operative movement devotes but little of its resources to provision for old age. Its total capital is, at present, only £25,000,000 sterling, divided among 1,284,662 members, allowing about £19 10s. per head.†

#### (c) TRADE UNIONS.

Here, if anywhere, should effective provision be discovered, since members, funds, and control are essentially working class ; and insurance is a recognized department of Trade Union activity. But an analysis of the assistance rendered by Trade Unions demonstrates its inadequacy. For the year 1893, 687 societies forwarded returns of their membership, income and expenditure. Only 89 of the societies had a superannuation benefit, while 598, or 77 per cent., had none. These 687 societies contained 1,270,789 members, out of

\* (C-7852-1895.) The Controller, in his last annual report (page 75), says that a greater number of annuities were purchased in 1894 than in any previous year. But as the total number of annuity contracts in this year was only 1,729 in all three classes, the success of earlier years is obviously extremely meagre.

† The exact figures are £24,998,718. This total, however, includes the capital of Civil Service Stores and several other associations which cannot be classified with the Co-operative Movement. (See the Co-operative Union's Report to the Woolwich Congress, 1896.)

whom 812,111 belonged to societies that did not possess a superannuation benefit. In other words, seven out of every ten Trade Unionists belong to societies in which there is absolutely no provision for old age. In 1893 only 6,789 members received superannuation benefit.\* This benefit, too, involves a dangerous strain, since it is apt to outgrow the resources of a Trade Union. For instance, in 1851 the percentage of members of the Amalgamated Society of Engineers upon superannuation benefit was 0·09. Since then there has been a steady, and, to the officials, an alarming increase, reaching a percentage of 3·44 in 1895. "We hope," urged the officials, "that the efforts of the last Delegate Meeting to finance and make this benefit secure, will be followed up by another effort of some kind, which will enable us to grant this benefit with pleasure, instead of, as is the case at present, with a fearsome thought of our ability to pursue a consistent and active Trade Policy."† The case of the Engineers' Society is not exceptional in this respect; and the drift of feeling among Trade Unionists indicates a reduction rather than an extension of the scope of superannuation benefits.

(d) FRIENDLY SOCIETIES.

Were it not for the claims made for Friendly Societies, the extent of their contribution to a practical solution of the problem of old age might safely be ignored. With the exception of a reckless granting of continuous sick pay, they have not accomplished anything. And even with regard to sick pay, considerations for the future prosperity, to say nothing of the mere existence, of their societies are rapidly compelling the members to insist upon its abolition when the age of sixty-five is reached.‡

For thirteen years schemes of old age annuities have been in existence in the two great Orders. In 1882 both the Manchester Unity of Oddfellows and the Ancient Order of Foresters formulated schemes. Under these the members, by paying a weekly, monthly, or yearly contribution, varying according to the age at joining, could secure a pension of five shillings per week upon attaining the age of sixty-five. Of 751,167 members of the Manchester Unity, just over 500 have joined in twelve years. In the Foresters the results are still more discouraging; for out of a total adult membership of 719,643, only five members have joined. As Mr. Ballan Stead, the late Secretary of the Foresters, explains, "the ordinary working-man could not be induced to see the value of a deferred benefit."§ The Past Grand

\* Seventh Annual Report on Trade Unions by the Labor Correspondent of the Board of Trade, 1893. (C—7808, 1895.)

† Report of the Executive Council of the Amalgamated Society of Engineers, 1895, p. 25.

‡ In the Valuation Reports of 1870 of the Manchester Unity, the late Henry Ratcliffe, the Unity's actuary, gave a warning. "If lodges," he wrote, "contemplate an allowance to members in old age, the members should contribute for such benefit, or the funds of the lodges will not be equal to pay the customary sick and funeral benefits."

§ For the evidence of the officials upon the results of these schemes, see the Report of the Royal Commission on the Aged Poor, summarized in the Final Report, C—7684—1895.



Master of the Manchester Unity expressed the feeling of the working classes towards such schemes in his retiring address. "The idea," he said, "of asking young men of sixteen or eighteen years of age to make a selection for a benefit so long deferred, and for which they will have to pay a contribution higher than their fellows, is so utterly unreasonable that the most sanguine could not expect it to be very successful."\* These attempts of the Oddfellows and Foresters are typical of Friendly Society effort in this direction. Nothing is to be hoped for from it.

(e) SICK CLUBS, ETC.

In many large manufacturing establishments sick clubs exist. The majority only provide a moderate sick and funeral benefit. In those firms where an old age pension is included, the clubs can be, and frequently are, used as pretexts for coercing the members. Commercial assurance societies, too, accomplish some amount of provision for old age; but as most of them, while willing to give a quotation for any form of annuity, do not publish general tables, it is safe to conclude that the demand for such annuities is trifling.

**Voluntary Provision.**

This is ludicrously inadequate to the necessities of the case. The highest estimate of the savings of the working class places them at £300,000,000, which, divided amongst the 14,000,000 members of the manual labor class, only yields an average saving of £21 10s. each.† There is no reason to doubt Dr. Hunter's estimate that only three per cent. of the working class have made any definite provision for old age. The figures relating to Poor Law relief tell the same tragic story.

**Old Age Pauperism and Poverty.**

According to the census of 1891 there were 1,323,000 persons over sixty-five years of age in England and Wales. For the twelve months ending Lady Day, 1892, a record was made of the persons over sixty-five who received Poor Law relief. The result showed that there were 376,427 persons over sixty-five years who were driven to accept relief from the Poor Law.‡ In other words, two persons in every seven over sixty-five years old were in receipt of relief during those twelve months.

Several objections have been urged against the accuracy of these figures. The only one worth serious consideration is the possi-

\* Speech of P.G.M. Orford White, at Bristol A.M.C., p. 10.

† The Chief Registrar of Friendly Societies, in a paper read before the Royal Statistical Society on April 23, 1895, estimated the total savings as follows: Savings Banks, £144,725,640; Registered Friendly Societies, £28,500,000; Trade Unions, £1,378,007; Incorporated Building Societies, £44,414,115; Industrial and Provident Societies, £18,552,867; Certified Loan Societies, £256,139; Railway Savings Banks, £2,469,965; Total, £240,296,733.

‡ (C-265-1892.) The figures are exclusive of medical assistance only. For an extremely acute analysis of these figures, see "Memorandum," by Mr. Charles Booth, in the Aged Poor Commission Report.

bility of the same individual being counted more than once, since casual wards are largely occupied by men and women tramping from union to union. But however true this may be of men and women under fifty, its applicability to older persons is doubtful. It is not reasonable to assume that, to any appreciable extent, men and women weakened and harassed by a life of ceaseless toil (for after all the mass of aged paupers belong to this class, and not to the idle) wander from district to district. But even admitting that a number of the persons returned as having received relief have been enumerated more than once, the figures are too startling to leave any excuse for optimism. And it must be remembered that, bad as they are, they take no account of the hidden mass of poverty that would endure starvation rather than accept Poor Law relief with its accompanying stigma of pauperism and disgrace. The extremely moderate Royal Commissioners, in the Aged Poor Report, have spoken out upon this matter. "There are also," they say, "many aged poor who are destitute so far as their own resources are concerned, but who are kept off the rates by the assistance of friends and by private charity. Such persons must sometimes endure great privation in their effort to avoid application for Poor Law relief; and they form a class quite as deserving of consideration as others who are actually numbered in the return as paupers."\*

### Can Voluntary Institutions Accomplish More in the Future?

As far as Co-operative Societies and Trade Unions are concerned, this question is negatived by the considerations already mentioned. No one pretends that they can solve the problem, or that it is any part of their business to do so. But the Friendly Societies are still relied on by people who have no idea of their financial position, or the industrial conditions of the problem. In the last Quinquennial Returns to the Chief Registrar, 14,968 societies admitted a net actuarial deficiency of £8,953,256.† Such deficiency is, with two exceptions, common to all the Friendly Societies. Varying from a proportion of deficiency to capital of 13·21 per cent. in the Manchester Unity, through one of 72·17 per cent. in the Foresters, up to 670·15 per cent. in the Ancient Order of Comical Fellows, all degrees of financial unsoundness are to be discovered. In the Manchester Unity, which is by far the most stable of the large societies, fourteen per cent. of the lodges making returns admit deficiencies. In the Stepney district sixteen lodges out of thirty-five, and in the West London district fifteen lodges in twenty-seven, admit similar deficiencies.‡ The difficulty, in fact, of meeting financial obligations has compelled large numbers of village clubs to be dissolved. In Mr. Charles Booth's enquiry into "Old Age in Villages," numerous

\* Par. 24 of Majority Report of Royal Commission on Aged Poor (C—7684. 1895)

† See also Canon Blackley's and Mr. Hardy's evidence before the Aged Poor Commission.

‡ Quarterly Report, Manchester Unity, April, 1893.



instances of this breaking-up of country societies are given. The process there detailed is still continuing; for in the last annual report of the Chief Registrar, societies containing 5,968 members had dropped out of existence.\*

Even if the societies were actuarially solvent, they would be none the more within the reach of the poverty of the bulk of the laboring class. From his analysis of the Poor Law and Census Returns, Mr. Booth told the Aged Poor Commission that two-fifths of the adult population of England and Wales consists of (1) agricultural laborers, (2) unskilled town-workers, (3) women wage-earners. These classes provide eighty per cent. of the pauperism of this country. Out of every three who survive to old age, two have to come to the Poor Law for sustenance. The Friendly Societies are of no use to these classes. In the purely agricultural counties their hold upon the laborers is small. Only 0.67 per cent. of the population of Somerset are enrolled in the two large Orders; only 2.38 per cent. in Buckinghamshire, 2.78 per cent. in Oxfordshire, 3.66 in Berkshire, 4.24 in Wiltshire, and 5.68 in Norfolk, and similarly throughout the agricultural districts.† The membership of women is smaller still, 7,134 and 1,118 representing the total number of women enrolled in the Foresters and Manchester Unity respectively.‡

There remains another serious objection to dependence on Friendly Society action. When the pensions schemes were formulated by the two Orders, the maximum of benefit that could be safely given for the minimum of subscription was prescribed. In order to ensure financial stability, no members were allowed to join after attaining fifty years of age. Yet 117,355 members in the Manchester Unity, and 79,758 in the Foresters, are over fifty.§ And this number is increasing out of proportion to the total membership. For whereas seventeen per cent. of the Unity were over fifty in 1887, by 1892 the percentage had increased to nineteen. In the London districts of the two societies, 24,164 members, or one in every six, have reached the limit.|| How can we claim that the Friendly Societies unaided can solve the problem, when the two largest, wealthiest, and most influential societies tell 197,113 of their members that no hope can be held out to them? At fifty the expectation of life is nineteen years; so that practically 200,000 members have been compelled to face the disadvantages of old age throughout this period. Furthermore, this number must be largely increased in the future. The necessity for readjusting financial obligations to balance income will inevitably lead to a cessation of continuous sick pay. Its recipients will then have to look elsewhere for provision for their age. The question is, Where?

\* Report of Chief Registrar of Friendly Societies for 1894. Part A. 110 of 1895.

† Quarterly Reports of Manchester Unity and Ancient Order, 1893.

‡ Quarterly Reports, April, 1896.

§ Quarterly Reports, April, 1893.

|| Quarterly Reports, 1888 and 1893.



### State Aid Imperative.

The truth is, the State alone possesses the power and the resources for dealing with the problem. The thoughtful men in both the Trade Unions and the Friendly Societies are recognizing this.\* They realize how dangerously the aged members are handicapping the societies. Turn how or where they will, the claims and necessities of their aged brethren are forced upon them. For every vacancy that occurs in the voluntary pension fund attached to the South London District of the Manchester Unity—the only district that possesses such a fund—there are ten or more applicants. For every grant of 10/- and upwards that is generously made by the lodges, there are at least twenty members quite as deserving of relief, and quite as distressed as the recipient. As things are at present, the younger members of both Friendly Societies and Trade Unions are heavily taxed to provide for the unsound continuous sick pay in some lodges of the former, and the superannuation benefit in a few of the latter, the consequence being that financial collapse is in prospect for many Friendly Societies, and a serious limitation of trade action the heavy price to be paid by the Trade Unions. The only source from which any relief of this pressure can be obtained is through the government of the country.

### Methods of State Aid.

Four distinct methods, with numerous detailed variations, are at present before the country.†

#### SUBSIDIES TO FRIENDLY SOCIETIES.

It is proposed by many well-meaning advocates of State aid that the Government should contribute a yearly sum to the Friendly Societies to enable them to make provision for their aged members. Clearly, were this subvention to be granted unconditionally, it would place a premium on their financial instability. It would be impossible to devote any considerable proportion of the revenue to such a purpose without conditions which would amount to State regulation, and, upon the failure of any society to fulfil its obligations, State control. To this the Friendly Societies are uncompromisingly opposed; and in the teeth of their opposition there is no likelihood of it ever becoming practicable, whatever support it may receive

\* The Ashton Unity of Shepherds, the Order of Druids, the Hearts of Oak, and the Manchester Unity have all passed resolutions at their Conferences this year in favor of some form of State assistance. The terms of the resolution, carried by 290 to 243 at the last named, are worth quoting: "That any well-considered and suitable scheme propounded by the Legislature for the relief of the aged and infirm, benefiting our unfortunate brethren, will receive the cordial support of the Manchester Unity, provided that the pension is independent of the Poor Law, and does not create any power of Government interference in the general management of the affairs of the Unity" (*The Bristol Times and Mirror*, Saturday, May 30th, 1896).

† It is not intended to discuss here any specific or individual plan that has been published. The essential ideas of the four different methods are grouped and discussed. Nor is any reference made to various schemes which have been propounded during the last hundred years, from the one outlined in Thomas Paine's "Rights of Man" down to the earliest form of Canon Blackley's plan.

from aristocratic philanthropy. From the point of view of political principle the proposal is, of course, quite indefensible. The proposition to confer the privilege of a public grant of old age pensions exclusively on the members of a certain organization at the cost of the whole community, thereby placing it on the footing of one of the public services, or of those churches, colleges, institutes, museums, or galleries which are endowed for the spread of religion, learning and art, could no doubt be justified if it could be shown that the result would be the solution of the problem by the immediate flocking into the Friendly Societies of the entire laboring class. But, as we have seen, what prevents the bulk of the laboring class now from joining the societies is that they are not only not willing to pay the contributions, but not able, except at the cost of intensifying privations that are already intolerable. Their maintenance in old age would fall on the rates nearly as heavily with endowed Friendly Societies as it does now. Why, then, should the taxpayers (including the poorest voter who buys tobacco or beer) consent to a project so invidious on the face of it as a State endowment of Friendly Societies, any more than of the Prudential Insurance Company, or of the Trade Unions and Temperance bodies? Outside the Societies themselves, the endowment would be regarded as a job; and, however unjust that view might be to the intentions of its advocates, it would probably be borne out by the practical results of such a measure.

#### COMPULSORY STATE INSURANCE.

It is proposed, in all forms of this method yet put forward, that the State should adopt a scale of weekly contributions to be paid by the workers out of their wages, in return for which a pension, in proportion to the payments, should be granted at a certain age. In other words, it is proposed that the State should do what the Friendly Societies now do, with the startling difference that membership should be compulsory on the whole community.

If anyone really regards this as a sane or possible proposal, he had better apply his imagination at once to the work of collecting the weekly premiums. Existing collecting societies, dealing with a class specially provident and specially well able to pay, have to spend a third of their income in obtaining it. The collection of school pence has just been given up as unremunerative, and Free Education established. And whether the payments of the working class are to be dragooned out of them by a battalion of soldiers, wheedled from them by collectors, or freely yielded by consciences stricken with the terrors of old age, no method has yet been proposed, nor can the wit of man devise one, by which contributions can be secured in periods of unemployment and sickness. The average member of the Friendly Society of Ironfounders was earning nothing for over six weeks every year in the ten years 1881-1891. During a period of great depression in trade the same average in the society was  $14\frac{1}{2}$  weeks each year. Assuming that the unemployed or sick Trade Unionist can still pay his weekly premium out of his allowance from the Union, what about the twelve millions of



wage-workers who are not in any Trade Union? Yet upon continuity of payment, on pain of lapse of policy, all insurance schemes depend. If failure to pay is to be overlooked, actuarial requirements cannot be met; if inability to pay is to involve the lapse of the defaulter, the laboring class will not benefit by the plan, although they will be cruelly harried by it.

One feature of these schemes is almost incredible from the humanitarian point of view. As they define old age as commencing at sixty-five, it follows that not only is nothing proposed for persons who are so unfortunate as to be older than twenty-five now, but that the schemes will not come into operation for forty years. So that for forty years there is to be the same dreary annual record of over 400,000 persons abandoned to our existing Poor Law. What likelihood is there of this Fuegian\* proposal recommending itself to any nation humane enough to concern itself about the matter at all?

If the German form of State insurance were adopted, equal contributions would be levied from masters and workmen. In Germany the workmen complain, with good reason, that the employers' quota of contribution is paid out of their wages. The resultant strikes, quarrels, and appeals to the Reichstag suggest that in a country where Trade Union combination is more general and more highly organized, as in our own, the adoption of such a law would plunge us into a series of industrial conflicts which would soon convince us that no compulsory contribution scheme is worth the friction it would create.

#### VOLUNTARY STATE INSURANCE.

The more modest of the supporters of State insurance only ask that the scheme should be voluntary. This would, of course, simply mean that the existing State annuities, which have been such a dismal failure, should be widely advertised; so that the poor could stare hungrily at the list of rates in the post-office window. Were it even possible to secure at the outset any large accession of insurers, a gradual process of lapsing would ensue. Last year the Foresters lost 28,558 members, and the Manchester Unity 22,436 members, through failure to maintain contributions.† In the five years, 1881-1885, thirteen of the largest societies in the United Kingdom lost 2,431,000 members through "lapses." Some of these members probably renewed their connection; but Friendly Society officials confess that many more have never returned. The only way in which the continuance of payments could be largely ensured would be by the State having an enormous staff of collectors scattered throughout the country. If collectors with compulsory powers cost more than what

\* The inhabitants of Tierra del Fuego dispose of the aged economically by eating them.

† P.G.M. Orford White, in referring to this subject in his address on May 25th, 1896, said: "That we should have lost in the last five years no less than 112,812 from our ranks from this cause alone sounds like a reproach upon our organization; yet, I believe, praiseworthy efforts are being made by secretaries and officers alike to stem the ebbing tide." (Page 5.)

they collect is worth, what could collectors without powers, collecting excuses and refusals, do for us ?

In short, we are again thrown back by the old argument. The workers of this country cannot afford to contribute to any scheme of insurance, much less to one in which the majority of them will not survive to participate. Mr. Charles Booth has proved to us that there are 260,000 families in London alone which have to live on a guinea a week, or less.\* Mr. Robert Giffen told the Labor Commission that there are one million and three-quarters of adult men in the United Kingdom earning a pound a week or less. The doctrine that what these people want is the moral tonic of a little extra self-denial, and that if they do not choose to exercise it they can end in the workhouse, has been shamed out of public life, and replaced by a demand for a higher standard of nourishment and culture among the people. Consequently any proposal that seeks to diminish by ever so little the already scanty earnings of the working classes may be dismissed as fatal to any scheme of industrial and social reconstruction.

A less obvious, but very weighty practical objection to any scheme involving the collection of contributions, is the vehement opposition it would encounter from the leaders of the working classes in their official capacity as chiefs of the existing voluntary organizations. They well know that an increase of contribution in one direction would be provided for by a retrenchment in some other. As Mr. Broadhurst puts it: "The Friendly Societies and the Trade Unions, to which the working classes owe so much, naturally view with some apprehension the creation of a gigantic rival insurance society, backed by the whole power of the Government. The collection of contributions from millions of ill-paid households is already found to be a task of great difficulty, intensified by every depression of trade or other calamity. For the State to enter into competition for the available subscriptions of the wage-earners, must necessarily increase the difficulty of all Friendly Societies, Trade Unions, and Industrial Insurance Companies, whose members and customers within the United Kingdom probably number, in the aggregate, from eleven to twelve millions of persons."†

### Universal State Pensions the Only Remedy.

Every step in the foregoing examination points to one solution, and one alone, as the effective one. Universal State Pensions, to be claimed by every person as a right upon attaining a certain age, and provided out of the general taxation of the Kingdom, is the only remedy that will meet the case. We must recognize that a man who has served the community throughout his working life is as much entitled to maintenance from the community in his old age as his child is to education in its nonage.

\* "Life and Labor of the People," Vol. I.

† See Minority Report of Mr. H. Broadhurst, M.P., in Report of the Royal Commission on the Aged Poor, &c., pp. xcix-c. (C-7684-1895.)



### The Outlines of a Scheme.

It is not intended here to draft an Act of Parliament, but merely to give a few broad outlines for a practical working measure. The first essential is that any scheme of State Pensions must be administered apart from the Poor Law. Its working must be entrusted to officials distinct from those who are now engaged in administering parochial relief: otherwise the same stigma and taint will attach to the recipients. Similarly, the acceptance of pensions must be absolutely open to all without regard to rank or character: otherwise a class of specially benefited, and therefore pauperized, persons is at once created. The social function of providing for old age must be kept quite distinct from the social function of punishing or restraining dissolute idleness and drunkenness. The conception of a pension as a premium for a particular line of conduct, however virtuous, must be put completely out of the question. Furthermore, no special tax, or portion of the proceeds of a tax, should be "earmarked" for the purpose: the helplessness of old age must be recognized as constituting a general human claim to be met out of the total State revenue.

Subject to these conditions, the County Councils should be authorized to prepare a census of the persons in their respective areas who have arrived at the statutory age. Every week these persons should receive, through the gratuitous delivery of the State postman, a pay-ticket for the amount of pension, which could be cashed at any post office. A committee should be appointed by the County Council to deal with the scheme. In the event of an area being too large to be successfully organized by one committee, two or more might be appointed. The committees might possibly consist of three or five paid experts. For the expenses of administration the local rates would, of course, be responsible; but the total amount of the pensions would be paid by the Treasury. In country districts, where the cost of living is less than in towns, the amount of pension might be slightly—say one-quarter or one-third—less than in the towns, unless the effect of placing a premium on residence in the country were found to be socially advantageous.

Meanwhile the Poor Law would of course remain; so that if any individual pensioner should prove incapable of using his pension otherwise than as a means of securing a day's drunkenness as a prelude to six days in the workhouse or prison, steps might be taken for its better administration by the Guardians. And as the pension is hardly likely to be liberal at the outset of the scheme, there need be no relaxation in the spreading of such Poor Law work on behalf of the aged poor as that described in Fabian Tract No. 54, on the Humanizing of the Poor Law, especially in the section on cottage homes. Those pensioners who were unable to shift for themselves could thus take refuge with the Guardians whilst feeling that they were contributing the amount of their pension to their own support.

## COST.

As a start it may be proposed that the pension should be the ordinarily understood one of 5/- per week in towns and, say, 4/- per week in the country, upon reaching the age of sixty-five. There are 1,815,000 persons in the United Kingdom over sixty-five years of age. A pension of £13 per annum to every one of these would involve an expenditure of about £23,500,000. It is probable that all classes would not claim; but in order to remove all social prejudices, it is to be desired that they should. On the other hand, a saving of from £4,000,000 to £6,000,000 would ensue in the Poor Law expenses. Assuming the lower figure, and allowing the remainder as a margin for the cost of administration of the pension scheme, an additional amount, in round figures, of £19,000,000 would have to be raised. An income-tax of eight-pence half-penny in the £, assessed even under the existing unfair method, would provide more than the necessary means. The graduation of the income-tax would easily yield the required amount without touching moderate incomes. In London a death-duty of 1/3 in the £ would not only suffice for the metropolis, but would leave a handsome surplus. It is not suggested, however, that any localized tax should be levied: the instance is given only to show that the difficulties of providing for the cost are not overwhelming.

But even supposing that the £19,000,000 had to be provided by an addition to the present inequitably raised revenue, the advantages of securing a certainty of food and clothing to our aged people are equivalent to an expenditure of less than one-half of what we now spend upon our army and navy. This year Parliament has almost unhesitatingly voted £40,000,000 to provide for the national defence. Our sailors and soldiers are entitled to receive at the end of a certain number of years' service a pension determined by the length of their service. A nation whose annual income is £1,450,000,000 can afford to pension its fighters. Why does it think that it can afford *not* to pension its workers?

## SENTIMENTAL OBJECTIONS.

It is sometimes said, even still, that old age pensions are grand-motherly and would sap the independence of the working class. How much independence is to be found in 400,000 men and women seeking relief from the Poor Law it is not easy to calculate; nor can there be much self-respect and conscious dignity in the man who appears weekly before the lodge of his Friendly Society or branch of his Trade Union to beg for a continuation of their distress grant. Independence will be fostered rather than diminished by the removal of economic disabilities that now cripple a workman during his active life, and make the thought of his last years one of harassing dread.

Neither can any doctrinaire objection to the State intervening where voluntary methods have failed prevail now-a-days. The State



is but the instrument by which the collective will shapes the destinies of the nation. Democracy governs the State; and effective democracy in this country is marshalled in three great movements—the Co-operative Societies, Trade Unions, and the Friendly Societies. The pressure of disadvantageous economic conditions is visible to and felt by the members of these movements. Their entire life is fettered, haunted, and spoilt by it. It is they who have to suffer the horrors of indigent old age: it is they who have tried, by voluntary methods through their organizations, to remove them. But they have failed. Their failure has proved that the task is too great for individual effort to accomplish, and that through the State alone is it possible to effect a permanent solution of the problem.

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