

which would require them to show that they possessed at least 2s. 6d. and not more than 5s. a week of their own we have no means of ascertaining. Nor can we estimate the number of aged people whose income might be within the limits mentioned, but who, from the infirmities attending old age, would be excluded from the benefits of any such pension-scheme. On the supposition, however, that one-third of 1,330,000, *i.e.*, 443,333 persons, would become entitled to pensions averaging 2s. a week (about £5 4s. a year) each, the cost of the pensions would amount to about £2,300,000 a year, apart from the very heavy expenses attending their distribution. Whatever might be the cost of the scheme at the beginning, however, it would tend to increase through the additions which have been periodically made to the population during the past sixty-five years." Should the population cease to grow the cost would press with greater relative severity on the remaining taxpayers. The scheme would encourage thrift and self-reliance up to a certain limit. Figures are given to show that a man who has worked hard enough to lay by a fund of £135 would hardly be better off in old age under Scheme A than a man who had saved £62. After a certain limit of encouragement the scheme would seem to discourage thrift. The Committee state the following *Conclusions*: Paragraph 49. We have found that of the numerous schemes submitted to us, the greater number are excluded from consideration under the terms of our reference, either because they involve compulsory insurance against the contingency of old age, or because they confine the benefit contemplated to a portion of the industrial population, or, finally, because they do not require from the pensioner a contribution towards the cost of his pension. We have found also that the greater number of the schemes are open to much objection on the ground that they would be of no advantage to the industrial population for a long period of years, and that they would involve the accumulation of great funds in the hands of the State to provide for distant and uncertain liabilities. 50. Within the limits marked out by our reference we have not received and we are unable to construct any scheme less open to objection than that stated by us under the designation of Scheme A. We have set it out in full in this report, but we do not hide from ourselves the objections to it which our investigation has established, of which we have given some illustrations in the course of this report. 51. The duty of every man to exercise reasonable thrift and self-denial in the attempt to make provision for his old age is implied by the terms of our reference, and we have reason to believe that the industrial classes show an increasing disposition to appreciate and discharge this duty. 52. We consider that State aid cannot be justified unless it is limited to aiding the individual when circumstances beyond his control make it practically impossible for him to save from his own earnings an adequate provision for his old age. Such a limitation, however, could not be enforced by any investigation into the past history or earnings of an applicant for such aid. The only test, then, that can be applied is the possession at the pension age of an income within the limits laid down as qualifying for the aid. This limitation, however, depends, to a large degree, upon the average wages the individual can command, and in considering this question, it must not be overlooked that the power of the employed to obtain from the employer the full wage-value of labour has increased, and is likely to increase still further. 53. What minimum rate of wages enables a man by the exercise of reasonable prudence to make adequate provision for his old age, in addition to subscribing for sick-pay and funeral expenses, cannot be precisely ascertained. The evidence appears to suggest that men whose average earnings do not fall below the equivalent of twenty shillings a week in towns, and a somewhat smaller sum in the country, should find no serious difficulty in contributing 2d. a week towards their maintenance when past work—a contribution which, if commenced at twenty years of age, would produce, according to the rates of charge now made for deferred annuities through the post-office, a pension of 2s. 6d. a week from the age of sixty-five; or, if commenced at sixteen years of age, one of 3s. a week. If not commenced until twenty-five years of age, 2½d. a week would be required for a 2s. 6d. pension. 54. If this suggestion be well founded, it is at least probable that men earning a slightly higher equivalent of weekly wages could, by the exercise of no greater self-denial, increase their contribution to 4d. a week, and thus command a pension of 5s. a week, in old age, due entirely to their own efforts. 55. These considerations must not be pressed too far. The grant of a pension must depend, as stated above, on the applicant's savings at the pension-age, and not on the rate of his previous earnings. Again, the evidence shows that while a large number of the class earning less than twenty shillings a week do now make adequate provision for old age, it is also the fact that many who have received a far higher wage reach the age of sixty-five without any savings at all. Finally, the wage-rates referred to apply only to actual payments in money, and do not include remuneration part paid in board and lodging, as in the case of domestic service. All, therefore, that can be claimed for paragraphs 53 and 54 is this, that after making allowance for the varying circumstances of individuals and of employments, they indicate approximately the limits of wage-earnings within which workmen as a class may be expected to require assistance in order to provide themselves with old-age pensions under a system falling within the terms of our reference. Before those limits are widened, it is well to remember that the grant from the State, whether charged on rates or taxes, must in part be borne by persons even poorer than the pensioner himself. 56. The people thus in a position to require assistance must in any case form but a small proportion of the industrial population, and even of this section—which can hardly be estimated at more than a third—only a small proportion of those above sixty-five years of age who now appear as inmates of the workhouse or infirmary would, under any system of State-aided pensions, be able to support themselves independently. Unfortunately, the old age of the working classes, following, as it often does, on a life of hard work done under trying and unhealthy conditions, is very frequently accompanied by bodily or mental infirmities which demand special care and supervision. Those who are bedridden, those who are suffering from senile inability, those who have lost their power of self-control, and have fallen into insanitary habits, and finally, those who are no longer capable of the economical application of a small pension, must in any case find asylum. The cost of indoor relief will not, therefore, be appreciably diminished by the operation of any system