

## NATIONAL PENSIONS

[To the editor of *The National Observer*]

London, 8th June 1891.

SIR,—It has been wittily remarked that there are three kinds of falsehood; the first is a ‘fib,’ the second is a downright lie, and the third and most aggravated is statistics. It is on statistics and on the absence of statistics that the advocate of national pensions relies. First, he argues, there were in England and Wales, according to Mr. Bart’s return (Parliamentary Paper No. 36), 245,687 paupers over sixty-five years of age on a certain day in August last year. He omits to mention that 190,935 of these were outdoor paupers and 54,725 indoor paupers. Now, it is well known to all poor law administrators that outdoor relief can be abolished without increasing the indoor list at all. This experience has been realised in every instance where the outdoor relief policy has been tried. The policy may be right or I may be wrong, but the fact clearly proves that the outdoor relief list is no fair index of the inability of outdoor paupers to support themselves, and that the only figure of value in the discussion is the 54,725 indoor paupers.

Again, of the 245,687 paupers 88,586 are males, 157,101 are females. Now it has often been remarked that the great majority of the women of the working-class marry. The woman who remains a domestic servant does not marry, but she has as a rule very good opportunities of providing for her old age. It follows, therefore, that the pauper women are for the most part widows for whom their husbands have made no provision. The provision that a man makes for his widow is not as a rule made by way of annuity but by means of an insurance on his life.

The next move of the pensions advocate is to declare roundly that he nowhere finds evidence that this working-man is subscribing for an annuity. The Post Office Insurance Department is a failure. The working-class insurance companies do little business of this kind though their life insurance business is enormous ; the friendly society old age superannuation schemes are admittedly unpopular. It therefore follows, says our modern statistician, that working-people are making no provision for their old age, because forsooth they do not do it in a manner which he can tabulate.

Mr. Chamberlain, when he finds that annuities are a thoroughly unpopular form of investment, proposes that the Government shall start, in addition to the present abortive Post Office scheme, a new system of ‘assisted’ pensions. First it is to be voluntary ; later on we may, he says, consider compulsion : and then, following a well-known analogy, we shall probably be taught to argue that because it is compulsory it must also be ‘free.’ The logical minds of some advocates has already in whole or in part adopted this development. They make, however, one stipulation which is touching in its simplicity. The acceptance of a pension for which a man has not paid is by some means or other to involve no taint of pauperism. A drastic Act to compel ratepayers to applaud those who

sponge upon them is a plan which prevents little difficulty to these practical statesmen.

The working-classes know their own business much better. Let anyone who is curious take up his Statistical Abstract and see the rate at which Savings Bank deposits are growing and note the increase of money invested in building societies, in co-operative enterprise, in working-class insurance, and let him set this immense increase side by side with the decreasing returns of pauperism in those unions where the law is strictly administered. The true value of the problem will then be evident to him.

Until Mr. Chamberlain's scheme, it may be remarked, pensions would not become due for about forty years, and it may be further doubted whether the State assistance proposed (viz. five per cent. interest) would be sufficient to overcome the perfectly rational repugnance which most of us feel towards investment in annuities. It is difficult to understand why Mr. Chamberlain should wish to bribe the workman to save for his own old age and to neglect (for with his limited resources he cannot save in many ways) the acquisition of property which will be of use not only to himself but to his family and class.

To recapitulate ; First, we find that a good number of people are paupers. We do not stop to consider that the number is smaller than before, nor that a vast majority of them are paupers because it is easy and pleasant to receive at home a small allowance from the rates. Then we find no statistics of annuities : we omit to remark that there is abundant facility for obtaining annuities if people wanted them. We next propose to use public money to pervert the judgment of the working man and to make him think an annuity is the best form of investment for him. We are first asked to discourage all other forms of working-class investment ; and then, when, the inducement is found inadequate, we shall be asked to compel working-people to give up their own favourite forms of investment and put their money in annuities.

Mr. Chamberlain at one time was an enthusiastic advocate of the Gothenburg system of managing the liquor traffic ; but when he found that the plan was not acceptable to his countrymen, he announced that he did not think it practicable to press his proposal further. Mr. Chamberlain's candour on that occasion is an admirable precedent : of which it may be hoped he will avail himself ; for the friendly societies have already declared against the proposal ; and the politicians on the look-out for a cry should discover in time that the small investor is not a person to be ridden over rough-shod by red-herring hunts of this kind. Plain men may sometimes indulge a hope that the small investor may be incited by all these excursions and alarums to exert himself to save the country ; for he alone it is (if a mixture of metaphor be allowed to pass) who can confine the politician to flying his kites at his own private charges—a consummation in this and many other controversies much to be desired.—I am,  
etc.,

T. MACKAY.

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