

OLD AGE PENSIONS
IN GREAT BRITAIN

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OLD AGE PENSIONS

A STUDY OF OPINION ON THE SUBJECT OF STATE AID
TO NECESSITOUS OLD AGE IN GREAT BRITAIN

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CHAPTER ONE

"If I would select among the deeds of the present Government one which I would give as an instance approaching a revolution I should rather select that of Old Age Pensions ... It was no doubt a considerable change, but a change, ^{which} even if it be revolution was one of which ample notice had been given." So spoke Sir Edward Grey, in reference to the Act which the government in which he was Foreign Secretary passed in 1908 (1). Credit for the grant of pensions to the aged has been disputed as between the two historic parties in Britain, but this bit of research proposes to show that Old Age Pensions forced themselves upon the attention of both parties.

Although the aged pauper is a familiar figure in all periods of British social history, right to the dawn of Anglo Saxon literature, it was not until the last decade of the nineteenth century that any attempt was made to prepare statistics of aged pauperism as distinct from destitution in general. When the fact was revealed in what has become known as Mr. Ritchie's Return - that during the year 1892 no less than 29.3 per cent of the population of the country over 65 was compelled to seek Poor Relief, men of all parties came to the aid of the

comparatively small group of reformers who demanded a more modern and more humane method of dealing with the problem than that which has prevailed from the time of Queen Elizabeth (2). The system of dealing with the aged which was so radically changed by what Grey regarded as a revolution was sanctioned by nearly three hundred years of usage.

With the passing of the first actual Poor Law by the consolidating statute of Elizabeth, the relief of the poor became a function of the State and upon the municipalities was laid the duty of discharging it. This act, for the first time, definitely recognized the legal right of the poor to claim relief. Like earlier attempts to deal with the problem of poverty the Act of Elizabeth made a broad fundamental distinction between voluntary and involuntary poverty. Local authorities were enjoined to treat the infirm and aged with kindness and liberality. Stern punishments were prescribed for the able-bodied vagrant and beggar.

Although Elizabeth and statesmen showed no disposition to regard poverty as an evidence of stunted growth or social disease, and made no attempt to touch or even understand the economic causes of poverty and destitution (3) a study of the social legislation from the sixteenth to the nineteenth centuries goes to show that the procedure they laid down remained with some modifications the model for their successors. So ingrained was the belief in this measure as the pattern of orthodoxy that as late as 1800 Pitt in opposing a proposed

partial amendment asserted that the social perplexities of his day arose, not out of the original constitution of the Poor Law, but had developed in proportion as subsequent enactments had modified it (4). So far as treatment of the aged was concerned the provisions of the Poor Law remained unchallenged until the elaboration of a plan for combatting destitution among the aged by means of parochial annuities.

The originator of this proposal was Francis Maseres, Cursitor Baron of the Exchequer, ^{and} an excellent mathematician and actuary whose studies of life annuities suggested to him a means of dealing with the growing evil of pauperism in old age. With some aid from Edmund Burke and Dr. Richard Price, the eminent actuary and founder of the Equitable Assurance Society, he drew up a bill for Parochial Life Annuities, which with lengthy tables attached was submitted to the House of Commons 1773 (5). To prepare the country and especially the members of Parliament for the innovation, Maseres had summarized it in a pamphlet which he published in 1772 entitled "Proposals for establishing Life Annuities in Parishes for the benefit of the Industrious Poor" which he followed up a year later by a second work, "Considerations upon the Bill now before Parliament for establishing Life Annuities in Parishes" (6).

Naturally, in view of the tendencies of social legislation for more than a century, the bill contemplated

operation through local government rather than central government agencies. Parish churchwardens and overseers were to be empowered to sell small life annuities to purchasers within the parish upon the security of the land and taxable property. Annuities were to be immediate or deferred as desired but in no case to be for more than £20 a year and no lesser sum than £5 was to be accepted in payment of a paid up annuity. Maseres idea of the normal working of the scheme envisaged a young man of 25 paying premiums year by year until he reached 50 when he might choose to enjoy his annual endowment of the rest of his life. The premium accumulations were to be invested in 3% Bank annuities in the joint names of the parish officers. *2/* the accruing interest failed to meet the annuity obligations, the deficiency was to be made good by the Poor Rates.

To soothe the susceptibilities of cautious M.Ps and timorous overseers, a permissive clause was written into the bill which made application of the measure in any parish contingent on its adoption at a public meeting held after due notice, of all parishoners liable under the Poor Rates. For such parishes as should have adopted the measure and repented their decision after some experience of its workings, there was a provision for contracting out after two years, the parish being then liable only for such annuities as had been subscribed for under its auspices, during the interval. Maseres in his two pamphlets answered all the contemporary objections raised against the bill.

He did more, for he anticipated objections that were to recur from time to time for nearly a century and a half whenever any scheme of aid, apart from the Poor Law, was mooted, with the spirit of the builder he went over his design carefully in search of possible weaknesses. A weak spot which he frankly acknowledged, when it was drawn to his attention, was the danger of loss to parishes by faulty investments on the part of inefficient agents or downright dishonesty by unscrupulous ones. Empirical methods alone could overcome this difficulty, he argued. Amendment and improvement would come through experience. The usual agents he hoped, would be bankers, stockbrokers and rich merchants, who would do the work as a public service and manage the bank annuities with the diligence they extended to their own interests.

This objection Maseres regarded as the most serious that was raised against the scheme. He goes on to examine others.

Objection (1) It will check matrimony.

Answer:- Possession of property or even a reversionary right is an encouragement to matrimony.

Objection (2) It will put too early a period to the poor man's labor.

Answer:- It is probable that these annuities will be bought only by household servants in gentlemen's or rich tradesmen's families and by journeymen, manufacturers and handicraftsmen, and not by day laborers in husbandry who are hardly able to save anything.

Further, the persons who will buy those annuities out of the savings made upon their daily earnings will probably be of so industrious a disposition that they will not be induced to leave their employment and live idle by the possession of the greatest annuity that can be purchased under this act of Parliament which is but £20 a year, but will rather endeavor to mend their situation still farther and to advance themselves to a higher station in life by keeping shop or becoming masters in their several handicraft trades. The possession of a little property acquired by industry is generally an incitement to get more. And when these persons had secured themselves against the danger of distress in their old age by employing some of their first savings in the purchase of these annuities, their next savings would be employed in advancing themselves in the world some other way, such as the purchase of a house or a bit of land or some stock in the public funds or the furniture of a house or a shop or the like.

Objection (3) It will increase the grievance now so much complained of, of throwing farms together, as the majority of little farmers grow out of day laborers and often to men of consequence, whereas by turning their savings into an annuity, their ambition is bounded.

Answer:- The throwing of farms together is almost always owing to the pleasure of the landlord, who does it, partly to get rid of all the expense of repairing a number of farm houses, partly to lessen the number of people in the parish

and thereby diminish the poors' rate and partly to facilitate and secure the receipt of his rent by having to do with only one or two rich or influential farmers instead of a dozen small ones who may be hardly able to pay their rents. There never is want of persons ready to take small farms but always, as I apprehend, many more than enough for this purpose and there is no danger of increasing the practice of throwing the small farms together by diverting the money saved by day-laborers into another channel by offering them life annuities. But, in truth, I fear as is above mentioned, that very few day-laborers will be able to save enough money out of their scanty ^{ways} ~~ways~~ to purchase these life annuities.

Objection (4) If the annuity purchased be but small, not much beyond the parish allowance, will not the purchaser be perpetually pressed by necessities and the importunities of his family or the ridicule of his idle neighbours to part with it and throw himself on the parish?—~~They~~ telling him he will be full as well off then as now.

Answer:— I do not suppose that he will be induced to part with it upon these motives, as he will feel the pleasure of having something of his own, independent of the charity of the parish. But if he should he will after he shall have parted with it be no worse off then if he had never bought it, or than if this act had never passed and in the meantime he will have been benefitted by the act of having been excited thereby to a greater degree of industry in order to get and save the money with which he bought it. So that this act

will upon the whole have done no harm and some good, even in this case. If the annuity be small and little better than the parish allowance, which is often not more than one shilling a week or two pounds twelve shillings a year; I conceive that the person who shall have purchased it, will, instead of parting with it, continue in his course of industry and frugality in order to save money enough to purchase an additional annuity that shall make it a more comfortable provision and even, if he can possibly save money enough for the purpose, he will be anxious to increase it to £20 a year which is the greatest annuity the act allows. And this is a very different provision from the mere parish allowance of two pounds twelve shillings or three pounds or even five pounds four shillings a year or two shillings a week which is all that is allowed in the rich parish of St. James in London.

Objection (5) If the annuity be unalienable will it not be very ill-judged to purchase it as any little alteration in the annuitant's circumstances may make the money of much more consequence to him?

Answer:- The annuity is not to be unalienable unless the purchaser expressly consents that it shall be so and this consent is expressed in a clause for that purpose inserted in the deed of grant. Now it may reasonably be supposed that when a man purchases one of these annuities with his own money he will not consent to such a clause of unalienability but will rather reserve to himself the power of parting with it in case he shall be so inclined. And this clause of unalienability will probably never be inserted in the grants of these

annuities unless when they are bought for the grantees of them by some charitable friend, who may insist on their consenting to this clause, that they may not, through their subsequent extravagance and indiscretion frustrate his good intentions in their favour by parting with the provision he has bought for them.

Objection (6) May it not prevent young people from beating out from home to seek their livelihood which is perpetually done to their infinite advantage?

Answer:- It will be necessary for a young man to exert a great deal of industry to acquire the money necessary to purchase an annuity of £20 to commence when he is 50 years old. This industry he must exert either at home or abroad and he will probably do it in the one place or the other as he shall find his opportunities invited him. And when he has got the money and bought the annuity, or had it bought for him, yet still he will be under a necessity of exercising his industry somewhere till the annuity becomes due, which will not be till he is 50 years old. In the meanwhile (which takes in all the vigor of his life) he is at liberty to beat out, as the objection expresses it, whenever he can and has as much reason to do so as if he was not entitled to the annuity. For how can the expectation of an annuity of £20 a year to take place at 50 or 55 hinder a man of 25 or 30 from going abroad to improve his fortune in the meantime?

Objection (7) Are not annuitants at best reckoned but drones in every state?

Answer:- Those who are possessed of life annuity ought no more to be reckoned drones in a state than those who live upon any other certain income, not arising from their industry, such as the rent of a house or a farm or the interest of money in the public funds. There will be an additional incentive to industry that they might be able to earn and save enough to make the said purchase. Until they come into actual receipt of the annuity - men 50, women 35 - the purchase will stimulate industry which would be a great advantage (since that is the time of their youth and strength, even though we should suppose they would afterwards live idle upon them.) But this is a supposition I can by no means think probable, since persons who have persevered in a course of industry to the age of 50 have usually such a taste and liking for it and for the advantage it brings with it, that they are in no danger of forsaking it.

Although they begin at 50, it is probable they will not often commence before sixty, because the great difference between the annuity which a man of 25 or 30 and still more of 35 or 40 can buy for a given sum of money for an annuity at 50 and that which he can buy to begin at 60. If he is idle don't blame him.

"I appeal to every man of property in the kingdom who has reflected upon this subject, whether he does not wish

to see every poor person he is connected with and concerned for, save as much money as they can out of their yearly wages or other profits in order to provide for themselves in their Old Age, when their health and strength shall fail them. Many gentlemen of fortune, to encourage their servants to do so, borrow their money from them at 4% and sometimes 5%, though they either have no need of it themselves or could borrow it cheaper elsewhere. The design of the present bill is to enable parishes to do the same good office to their respective poor and from the same motive, namely, to encourage them to industry and frugality and this the present proposal does in a more powerful manner than such a beneficent gentleman as is above mentioned can do, by only borrowing the money at interest, that is, in a manner more likely to strike the imagination of the poor objects of it and tempt them to employ their money in this way, namely by setting before them the prospect of a greater annual income for their money than can be had by merely putting it out to interest even at 5%. For if the annuities they purchase are to begin in 5 or 6 years time, they will usually get 9% or 10% for their money and if they are to begin at the distance of 25 or 30 years, not less than 30 or 40%. What question is so much approved and encouraged in private families and particular cases, cannot surely be wrong when extended to a greater number of the like objects of it by means of a public law." (6 a)

Maseres plea did not fall entirely on deaf ears. Strongly supported by two Reforming Whigs, Sir George Savile and William Dowdeswell, both of whom had some reputation as students of social conditions which gave greater weight to their commendation of it as a laudable attempt to promote a great public benefit (7) the bill passed through the House of Commons after a brief debate. After a still briefer discussion it fared less happily in the Upper House, being thrown out on the motion of Lord Camden. Its author continued his propaganda and in 1783 published a third work on the subject, "Principles of Life Annuities explained in a Familiar Manner", but he never again embodied his views in a bill. Most of his generation were thinking in terms set forth with plainness and crudity by a clergyman of the last mentioned work. The Rev. Joseph Townsend wrote in 1785:

It seems to be a law of nature that the poor should be to a certain degree improvident, that there may always be some to fulfil the most servile, the most sordid and the most ignoble offices in the community. The stock of human happiness is thereby much increased whilst the more delicate are not only relieved from drudgery, and freed from those occasional employments which would make them miserable, but are left at liberty without interruption, to pursue those callings which are suited to their various dispositions and most useful to the state. As for the lowest of the poor, by custom they are

reconciled to the meanest occupations, to the most laborious works, and to the most hazardous pursuits. There must be a degree of pressure and that which is attended with the least violence will be the best. When hunger is either felt or feared, the desire of obtaining bread will quietly dispose the mind to undergo the greatest hardships and will sweeten the severest labor."

This clerical economist's book was reprinted several times between 1785 and 1815 and copied with approbation in contemporary government reports (8).

Part 2

There were however some members in the House who were not disposed to take such a complacent view of poverty. Somewhat unexpectedly an annuities bill was ~~unexpectedly~~ sprung upon the House on April 30, 1787 when on a motion by John Rolle (afterwards Lord Rolle) member for Devonshire) (9) supported by two other West Country representatives, Thomas Gibson and William Young, leave was given to bring in a "bill for the more effectual treatment of the Poor and ascertaining the settlement of Bastard children" (10) Rolle claimed no personal credit for the plan he proceeded to lay before the House. He explained that it was the work of some of his constituents in an attempt to indicate a way of relief from some of the intolerable burdens of Poor Law taxation. It differed radically from Masere's bill in that instead of working through the machinery of local government, it called for the merging of all existing Friendly Societies into one vast national club. Rolle

had high praise for the various societies of his day. They had been of great benefit in increasing the comfort of the poor and the diminution of the rates in many countries. The disadvantages under which these societies labored - uncertainty of tenure, fluctuations in membership, insecurity of the fund, the misapplication and often embezzlement of the capital without any legal power of resatration or restitution, would disappear with their absorption into the national society, with permanency to the membership and security for the capital. The scheme was to be compulsory for a proportion of the rich and for all the young poor. Contributions were to be set at twopence a week for men and a penny halpenny for women. Benefits were to be four shillings a week during sickness or disablement; two shillings a week for less serious affliction which did not necessitate confinement to bed and one shilling a week for each child over two years old of the beneficiary. The payments also were to ensure tenpence halpenny a week after 65 years of age, one shilling and fourpence halpenny after seventy and three shillings a week after seventy-five or sooner if total incapacity for labor overtook the insurer. The rich subscribers were not expected to require aid from the fund. Rolle was at pains to impress upon his fellow-legislators that he was not calling for the repeal of existing Poor Laws. Rather it was a recommendation of his bill that it aimed at strengthening and reinforcing them by amendments that

experience had proved to be essential. To the poor the bill was to be a harbinger of better times; mitigation of the horrors of old age poverty, and the abolition of the workhouse, release from the tyranny of the parish officer and the injustices arising from the application of the laws of settlement. No longer would hang over the head of the worker whose powers were declining, the danger of being removed from a parish where he had spent all his adult life and returned to his birthplace from which every familiar face or scene might have disappeared. With his national club subscription certificate in his pocket, he was to be free to travel whither he might list all over the king's dominions. To the rich, it promised substantial savings through reduction of rates and elimination of costly litigation arising from Poor Law administration and settlement cases, in addition to the satisfaction of having aided in brightening the lives of the less fortunate classes of the kingdom.

Without opposition the House ordered the bill to be brought in and printed, but it seems never to have found a further place in the order of business. At all events no further mention of it is to be found in ^{the} records of the House. Two years later, however, a bill with somewhat similar objects passed the House. Its avowed purpose was to provide the poor with a means of securing advantages higher than could result from their unaided subscriptions to the Friendly Societies and benefit clubs with which they were familiar. To this end the bill purposed to enable parishes to establish parochial benefit

societies under the joint management of the contributors and the nominees of the parish. To enable the older parishioners to enjoy the benefit of the scheme, it was proposed that these should be admitted at premiums approximately equal to those of the young, the difference being made up out of the parish funds. Contributions were divided into eleven classes ranging from a shilling a week from entrants under 21, to 6/6 a week from those of 50 years of age; benefits similarly divided and ranging from two shillings a week at 65 to $\pounds 1.4/$ for the highest. This measure appears to have been killed in the Lords; at all events, no further mention of it is to be found in any of the official publications available to the writer of this study (10a)

Part 3

With Thomas Paine's Rights of Man, we come for the first time to the theory of pensions as distinct from annuities, noncontributory in the sense that the proposed beneficiaries were not to be called on to pay direct premiums, but regarded nevertheless as a right in view of other direct contribution to local and national exchequers, as the way out of the old age destitution problem. Pensions for every aged person who required them was Paine's ^{for the right} ~~for the right~~ demand. (11)

He estimates

Estimating the number of aged poor in England's seven million inhabitants in 1791, to be a hundred and forty thousand - husbandmen, common laborers, journeymen of every trade and their wives, sailors and disbanded soldiers, wornout servants and poor widows, with a considerable number of middling tradesmen who after living in reasonable comfort for the greater part of their lives should lose their business through declining abilities on the approach of old age, and a smaller number drawn from every section connected with all kinds of business and adventure. These indigent veterans, Paine divided into two classes equal in number;

- (a) From 50 to 60 years of age
- (b) Above 60.

Those in the first class although feeling the approach of age and lessened earning capacity are presumed to be still capable of labor and earning some income, which Paine proposed to supplement by an annual pension of six pounds until they reached the age of sixty when the annual pension was to be increased to ten pounds and to continue at that rate until death. "At sixty," said Paine, (12) "his labor ought to be over, at least from direct necessity. It is painful to see old age working itself to death, in what are called civilized countries for daily bread."

The cost of the pensions would be;

Seventy thousand persons at £6 a year	£ 420,000
Seventy thousand persons at £10 a year	£ 700,000
	£ 1,120,000

In support of his contention that State aid was a right and not a charity, Paine elaborated an argument that payment of taxes was a form of insurance against destitution. From the date of birth, he said, every inhabitant of the country paid on an average in taxes \int 2-8 shillings and sixpence a year or \int 2 - 11/ shillings and sixpence if the cost of collection were added. Consequently those who lived to 50 had paid in taxes \int 128 - 15 shillings and to 60 \int 154-10 shillings. Converting each individual tax into a tontine, the pension represented but little more than the legal interest of the total payments. The little difference was to be regarded as being made up from those taxpayers who required no aid from the pension fund; and the capital in both cases went to defray the current expenses of government. (13) So Paine reasoned. Whatever one may think of the logic of all this, it was substantially similar to the views held by practically all advocates of non - contributory pensions in the last quarter of the nineteenth century.

Even a superficial reading of Paine's book discloses that he did not expect his doctrine to be put into practice in any other than his ideal state. Into his calculations the thought that the unregenerate rulers of what he regarded as semi-servile monarchies would even partially adopt his plan - as a palliative or insurance against revolution, for example - does not appear to have entered. Only when monarchy and aristocracy had gone the way of chivalry could the dream of social justice be even

partially achieved. There is no mistaking the note of all - embracing defiance in his vigorous declamation:

"Is it better, then, that the lives of 140 thousand aged persons be rendered comfortable, or that a million a year of public money be expended on any one individual (14) character? Let reason and justice, let honor and humanity, let even hypocrisy, ^esympathy and Mr. Burke, let George, let Lewis, Leopold Frederic, Catherine, Cornwallis or Tipu Saib answer the question." (15)

Where was the money to come from? To that question which every Chancellor for a century afterwards asked whenever Old Age Pensions were mooted, Paine had a ready answer: out of the surplus taxes. The total revenue from taxation he put at 17 million exclusive of the expenses of collection. This sum, according to Paine was expended in two ways; to meet the interest on the National Debt, nine millions; current expenses accounting for the remaining eight millions. On the ground that the expenditure under the first head largely balanced its own weight by serving to keep alive a capital useful to commerce and rectifying what appeared to be a deficit in gold, Paine thought to leave it alone except that he would tax the interest in a progressive ratio. Governmental expenses were to be subject to a drastic pruning that would bring the upkeep of army, navy and administration down to a total of a million and

and a half, only £300,000 more than the costs of the reign of Charles II when the total taxation amounted to only 1,800,000. Out of the six million surplus was to come the money for Old Age Pensions, along with a host of other reforms|abolition of the Poor Rates, the tax on houses and windows, the commutation tax|mental and material provision for poor children, marriage, maternity and funeral benefits, inauguration of relief works, pay increases for soldiers and navymen and higher pensions for time expired men and extirpation of the law of primogeniture.

When we realize that Paine's proposals involved the most drastic changes in the constitution and manners and customs of the country along with a tremendous reduction in the expenses of the army and navy, the pooling of the armaments of Britain, France and the United States and an offensive alliance among these three powers being presupposed, at a time when the inclination to reform was being seriously checked through the hardening of British opinion against the increasing violence of the French Revolution, it is not hard to understand that contemporary opinion failed to take them seriously.

It was the middle of the fierce passions kindled by the Revolutionary and Napoleonic wars that the next effort to obtain public assistance for Old Age destitution, apart from the poor law, was made. Samuel Whitbread's bill of 1807 did not pass into law, but the lengthy hearings and

the respectful treatment accorded it demonstrated that a politically reactionary ruling class that had been busily engaged in whittling down the traditional rights and liberties of the British nation was ready to discharge the eleemosynary functions of statecraft. Relief as a charity, it was ready to extend. Assertion that it was a constitutional right was looked upon as asking to the Jacobinism it abhorred.

Whitbread's Old Age relief suggestions which were the least conspicuous of a series of social reforms which he brought before the Commons first appeared in his 1807 bill, but that measure was itself the outgrowth of two earlier bills in which he called for a modification of the existing laws. How slight was the impression that Paine had made upon his contemporaries may be gauged from the fact that such an earnest reformer as Whitbread was universally acknowledged to be, seeking the righting of ancient wrongs, ignored him entirely in his presentation of the case for the aged poor. Both were critics of existing conditions, More constructive, in view of the mind of his day, as his proposals were, Whitbread was insipidity itself when his tone was contrasted with Paine's sweeping denunciation of British laws and customs and his invidious comparison of them with those of the two young republics. Paine contemplated the abolition of kings and aristocracy; Whitbread took a king's aphorism for his text and looked to the landowners to administer his reforms. As his initial

reform, Paine wished to consign the Poor Laws to the limbo of discredited things. Whitbread although vigorous in protest against considering the Elizabethan Poor Law as the "Bible of the subject", defined his aim as not to abrogate the Poor Law but gradually to render them obsolescent. Paine painted the ruling classes of Britain as exploiting the poor; Whitbread was voluble in their praise as having relieved the unfortunate in a time of hardship by an unexampled display of benevolence. Paine saw abundance in a society that lacked only the will to enforce equitable distribution. Whitbread believed an overruling Providence had ordained an eternal shortage of the necessities of life (16)

Particularly was Whitbread impressed by the inequity^t of the provision of the Act of Elizabeth which empowered the justices to fix the maximum prices of farm labor while it left the minimum entirely at the discretion of the employers. What gave rise in his mind to the idea of introducing remedial legislation was the situation to which the poor of the country were reduced in 1795/ Poor harvests at home and scarcity of stock in foreign sources of supply combined to send wheat prices up with terrifying rapidity while barley moved up only less slowly. The following table shows the price movements of these grains in 1795 (17)

Wheat	Price per Bushel.	Barley	Price per Bushel
January	7/0		4/4

(continued)

Wheat	Price per Bushel	Barley	Price per Bushel
February	7/3		4/3
March	7/5		4/4
April	7/9		4/6
May	8/1		4/8
June	8/9		4/10
July	10/6		5/4
August	13/6		6/2
September	9/10		4/9
October	9/6		4/1
November	10/5		4/4
December	10/10		4/5

It needs but a glance at this table to read the story of ruin and degradation that swept, like a pestilence over a working population in the grip of a law which forbade its means rising in conformity with a jump - 97% at its highest - in the price of a staple commodity. One impressive result was noted during the debate. The cost of a barley loaf was $1\frac{1}{2}$ - when the daily wage of a laborer was 1/. There was nothing in the Statute Book to compel farmers to do their duty. Whitbread sought to remedy that. (18)_x Accordingly in December, 1795 he introduced a "bill to explain and amend so much of the Act of the 5th of Elizabeth intituled. "An act containing divers orders for Artificers, Labourers, Servants, Husbandry and Apprentices" as empowers Justices of the Peace at or within six weeks after every quarter sessions held at Easter to regulate the wages of laborers in Husbandry." (18)

In making the motion for the second reading Whitbread expressed the hope that no matter what happened to his bill the act of Elizabeth would be repealed and ^{he} he served notice that he would move to that effect if his bill

were rejected and in addition would afterwards ask for a committee to take into consideration the state of the Poor Laws.

Modest as was his plea, the bill was rejected on the motion for second reading in spite of a sparkling speech in its favor from Charles James Fox, who argued that Whitbread's bill was necessary to relieve the anomaly of the Act of Elizabeth which secured the employer from a risk that could but seldom occur, of being charged exorbitantly for the service he required, but did not authorize the magistrate to protect the poor from the injustice of a grasping employer who might be disposed to take advantage of the necessities of the worker and undervalue his labor.

An important factor in the defeat of the bill was the speech of William Pitt as Chancellor of the Exchequer who pledged himself to remedy the grievances Whitbread had complained of by a measure that would be more in keeping with the original aims of the Poor Law. Among the changes he adumbrated was a plan for bonussing large families making State aid for parents of such, a matter of right rather than of ^o approbrium and contempt. The man who reared a large family, said Pitt, anticipating a line of argument that was to be used frequently by later sponsors of State pensions, had enriched the country and was deserving of recognition from it.

Towards the end of 1796 Pitt made a half hearted attempt to redeem his pledge when he asked leave to bring in a bill for the better support of the poor.

It contemplated a parochial fund to be raised by the rates and voluntary subscriptions and to be applied to relief in Old Age and chronic sickness and for the support of widows and children.

His bill was printed only to be abandoned almost immediately. All its provisions, Pitt said in answer to an expostulation from Whitbread, were regarded as impracticable and the letting of the project drop followed "the raising of serious objections by those whose principles he was bound to respect." (19)

Whitbread was not convinced. He returned to the attack with a substantially similar bill in 1799. *resistance the bill failed to obtain second*
Although Pitt offered no overt[^] reading being rejected on the motion of Lord Belgrave after an interesting series of speeches. (20)

When Whitbread brought his third and most important effort before the House on February 19, 1807 the auspices were much more favorable. Pitt's death had removed a formidable opponent and the spread of work of Malthus on population had changed the opinion of the country in regard to the Poor Law. Misgivings as to the steadily increasing share of national income which was being expended in maintaining a growing proportion of the

population involuntary dependence had disposed a larger number of legislators to look more favorably on changes. Malthus had a cure that was simplicity itself; simply to decree that no child born after a given date and no illegitimate child born two years after a given date should at any period of life be entitled to parish assistance. (21)

Yet another solution was put forward by Arthur Young, the bookworm farmer. To his mind all that was necessary was to take the rate for any given time, and instead of increasing it, draw the line more and more narrowly until the rate declined to nothing. By this tightening, the Poor Laws would absolutely cease after the expiry of a very short period.

Whitbread's comment on this was succinct:

"If the legislature could be induced to pass a law pregnant with such cruelty, within two years of the commencement of its operations it must be repealed." (22)

After a very lengthy speech from Whitbread and an animated debate, the House gave leave on February 19, 1807 to bring in Whitbread's "bill for promoting and encouraging industry among the laboring classes of the community and the relief and regulation of the criminal and necessitous poor."

Although the bill was justly criticised at the time as betraying hurried preparation and want of exact knowledge, examination of it in the light of modern knowledge

and experience discloses in it much of good and political foresight. Whitbread proudly claimed for it the honor of being an honest attempt at the solution of the most difficult of all political problems, namely, how to reduce the sum of human misery and vice and how to augment that of human happiness among the subjects of the realm. (23)

Whitbread's bill, which was later divided into four measures contained a number of innovations; the establishment of parochial schools extending free education to the poor, alteration of the law of settlement, equalization of the country^{rate} and, most important of all, so far as this study is concerned, avenues of escape for the poor man from the degradation^d of pauperism. Rewards for the laboring man who had brought up a family without the aid of parish relief were to emphasize the distinction between the criminal and worthy poor. These were to be strictly limited to avoid burdening the rates. To the pecuniary reward, he proposed to add some outward badge of distinction a coat or a hat presented at the discretion of the magistrate or a parchment certificate to be hung in the cottage of the recipient. All expenses attendant on this order of merit were to fall upon the country rates.

There were more substantial inducements to be offered. After begging his fellow-legislators not to start at what he was about to propose, Whitbread called for the establishment of a great central banking institution for the sole use and advantage of the laboring classes. Rolle's

national friendly society, he ruled out as impracticable. The idea of compulsory insurance would defeat its own object and the custom of Friendly Societies of meeting in public houses with resulting temptations to disorder and dissipation were sufficient arguments against it, he considered.

The great idea of the Poor Fund as Whitbread designated it was to encourage thrift among the poor by providing an institution to overcome the difficulty of putting out the small sums they could raise, sums generally too small to secure investment otherwise. To this Fund the worker was to be at liberty to remit sums ranging from £1 to £20 annually with £200 as the highest limit of any single account. Total remittances of each week were to be invested in 3% consolidated bank annuities or other government bonds, in the names of commissioners appointed for management of the enterprise.

Not least among the functions of the central bank were to be the duties of management of annuities for the poor. Opportunity was to be afforded to those who might wish by an annual payment up to a given age to purchase an annuity for the remainder of their lives or to insure the payment of a gross sum to their survivors upon their death, or upon

any of those calculable events which are the usual objects of insurance. An insurance office for the poor upon the same lines and under the same direction of those catering to classes able to make higher payments should be established with tables calculated according to the conditions and requirements of those entitled to make use of the Poor Fund. The Post Office with branches in every parish might be pressed into service with consequent lessening of the expenses of administration and collection. Whitbread was neither a mathematician nor an actuary and he lacked Masere's capacity of mastering detail. He laid down certain broad principles according to which the insurance should be conducted. The calculations were to be at such rates of interest and probabilities of the duration of life as to be likely to give such an advantage only to the insurers as would cover the expenses of the establishment; the receipts to be invested in stock; no insurance to be made upon any life without the testimony upon oath of a medical man that such person was in good health, nor without proof of age on oath and the certificate of a justice that he was satisfied as to the facts. On proof of misrepresentation or fraud, the insurance was to be forfeited. All remittances to and by the accountant and necessary correspondence to be free of postage.

Following the second reading Whitbread's bill was printed and circulated through the countries for the consideration of the magistrates, many of whom according to Whitbread spoke very favorably upon it. Progress was held up

by the dissolution and change of government, the Duke of Portland's ministry replacing that of Lord Granville. The new Parliament was less favorably disposed. The proposals relating to the Poor Fund and annuities were dropped as being more novel than the others. All the other sections of the bill, which had become bills themselves were abandoned in committee by Whitbread-deferring them to a day which never arrived, with the exception of the parochial schools bill which passed through the Commons to fall before the attacks of the Archbishop of Canterbury and Lord Hawkesbury, the Home Secretary in the Lords.

Subsidizing of parochial benefits societies, on the lines of the Bill of 1789, was put forward by the Select Committee on the Poor Law, which sat in 1817, under the presidency of the Rt. Hon. W. Sturges Bourne, ^{and} which drew attention to the huge sums of £ 287,000 in 1815 - spent on litigation on settlement cases under the Poor Law. (24)

Laying special stress on its proposal to admit on preferential premiums those who had advanced in years without being able to make any provision, this Committee commented on the utter impossibility of a great number of agricultural laborers to make even the slightest deduction from their wages. Advocates of compulsory insurance in later days might have pondered with profit over this announcement, but the story of Old Age Pensions is largely one of earnest and capable propagandists ignoring the hard-bought wisdom of the preceding generation.

"The Laboring classes," the Report declared, "can only be plunged deeper and more hopelessly into the evils of pauperism by the constant application of additional sums of money to be distributed by the Poor Rate." "True benevolence and real charity point

to other means."

Here the Committee spoke truly. But its own recommendations showed that it had travelled ahead of Edmund Burke whom it quoted in defining the "other means"- "patience, labor, frugality, sobriety and religion, should be recommended to them: all the rest is downright fraud." (25)

If anything at all was demonstrated by later researches it was that all these virtues, in too many cases were not enough to save the worn out toiler from a sorrowful and destitute Old Age.

Chapter One

Notes and References

- (1) Stead : How Old Age Pensions Began to Be. P.299
- (2) Statistics of Indoor and Outdoor Relief in each Union
Showing Numbers, Age and Sex (1892)
- (3) 43 Eliza cap., 5 sec.2
- (4) Cobbett's Parliamentary History. vol.32 P. 1710
- (5) Pamphlet: Redpath Tracts vol.502- McGill University, Montreal
- (6) Ibid
- (6a) Ibid
- (7) Price: Observations on Reversionary Payments vol.1 P.145
- (8) Report of the Select Committee on the Poor Laws (1817) P.21
- (9) John Rolle, adherent of Pitt, satirized in the "Rolliad" for his attacks on Fox. Advanced in economic views; reactionary politically - voted against Reform Bill. Entered House of Lords.

succeeding his uncle, first Baron Rolle, who died the day his nephew was born.

(10) Cobbett's Parliamentary History vol.26, P.1062

(10a) Report of Select Committee on the Poor Laws (1817)

Appendix F. P.161

(11) Paine Rights of Man Part 2 (London, Eighth Edition) P.125

(12) Ibid P.127

(13) Ibid

(14) The reference is to King George the Third.

(15) Rights of Man. Part 2 P.130

(16) Hansard Parliamentary Debates 1st. series vol.9 P.865

(17) Annual Register Chronicle 1795 P.133

(18) Cobbett's Parliamentary History vol.32 P.701

(19) Ibid P.1400

(20) Ibid P.1800

(21) Malthus Works vol.2 P.390

(22) Hansard: Parliamentary Debates vol.9 First Series P.682

(23) Ibid

(24) Report of the Select Committee on the Poor Laws (1817) P.26

(25) Burke: Thoughts and Details on Scarcity P.377

CHAPTER TWO

With the opening of the Nineteenth Century came a revival of faith in annuities as a means of providing for old age among the workers. Terminable annuities as a means of reducing the National Debt had been in vogue since the reign of William and Mary, but had always been on a scale that precluded the poor from enjoying them. The Life Annuity Bill of 1829 contained a clause that gave the commission for the Reduction of the National Debt (1) power to receive sums from £5 upwards for the purchase of deferred annuities. Why should not the minimum be lowered sufficiently to permit of the poor classes of workers insuring in this way against old age? Among those who asked the question was Cadogan Williams (2) an enthusiastic but hardy competent student of annuities, who presented a petition to Parliament in 1829, urging provision for the purchase of annuities as a means of opening to the lower classes a way of escape from poverty in ^{their} declining years. Williams favored an extremely elastic scale which would take in people from every walk of life. He suggested 50/ as the smallest annuity to be purchased commencing at 60 years of age, and ranging as high as the insurer cared to contract for.

What Williams urged upon Parliament was an Old Age provision society with a Parent Office in London for collection and administration, and branches all over the country each branch forming a tontine in itself.

To the Tally, as Williams proposed to call each local branch in the country was to fall all the preliminary duties verification of statements in applications, collection of individual contributions and transmission to the main insurance office and paying out annuities as they fell due.

Benefit of survivorship was an important feature of William's plan. Only in this way could the meagre savings of the worker be attracted to a form of investment that would economize his capital, Williams declared. Another factor which he strongly urged was the right of withdrawing previous contributions in full, but without interest, to be extended to a buyer who found himself unable ^{to} keep up his payments. "Such assurance would be unlimited in a civilized country" was the boast of the author of this plan.

Williams laid no claims to actuarial knowledge and it is evident from his answers to questions put to him at his appearance before the committee that he had not gone very deeply into his study of annuities. Some of his answers were extremely vague. Although the Committee was called into being in the first instance to consider William's petition, its recommendations ignored his appearances entirely.

Much more important in result was the examination of two experts, Samuel Higham, Comptroller of the National Debt Plan and James Hutchinson, actuary of the London Provident Institute, the second largest bank for small depositors in England. Hutchinson had some seven years earlier submitted to the managers and trustees of the bank a plan for converting money in the hands of the Government and belonging to the

bank

bank depo^sitors into annuities. (3) Higham's first appearance before the Committee was largely taken up with criticisms of the cruder proposals of Williams. Asked to suggest a better arrangement he spent the interval in elaborating a plan which as he outlined it on his second attendance, in its most important aspects greatly resembled that which Hutchinson had unsuccessfully laid before his superiors. He recommended engrafting a poor man's annuity system of small payments towards immediate and deferred annuities for life or for terms of years as desired, upon the Savings Banks, then comparatively new institutions but the worth of which to the working classes the Committee freely recognized. (4)

Depositors in these institutions were to be permitted each year to transfer either the whole of their deposits or a part, according to the annuity desired to an account to be known as the depositor's annuity account and the trustees of the Savings Banks were then to be empowered to contract with the National Debt Commissioner for an annuity on behalf of the depositor. Remittance costs would be but little, Higham believed. Payments to annuitants at the local banks would be more than covered by the flow of deposits.

As was to be expected, Hutchinson gave cordial assent to a scheme that embodied so much that he had himself thought out. Solution of the chief difficulty he pointed out, the problem of dealing with the ~~man~~ who could not keep up his payments was attempted in the suggestion that what payments such an individual had made should be credited towards a

lesser annuity than that originally contracted for, with an additional recommendation from John Finlaison, actuary of the National Debt that if such an annuity were less than ~~the~~ £ the money paid in should be returned or "Just Compensation" allowed. (4)

The committee enthusiastically accepted the Higham recommendations and passed them on to the House in these words, "The Committee believes that a local arrangement of this nature would afford to the industrious poor every security and facility that could be desired to encourage them to make Old Age provision."

Finlaison was asked to draw up suitable tables, and complying, his work occupying a greater part of the Report, he produced scales that were calculated to run the scheme without any loss to the treasury of the nation. A weekly payment of 2/ continued from 20 years of age to 30 secured a Life Annuity of £20, commencing at 55; a weekly payment of 11½ pence from 20 to 55 secured an annuity of £ 20 from the termination of the contribution.

Legislation embodying the recommendations of the Report was carried through both Houses in 1833.

Twenty years later, Life insurance and annuities were linked in a measure which considerably broadened the basis of the 1833 Act. (5) Still working through the Savings Banks, and the National Debt Commission, the Government undertook to issue life insurance to purchasers who at the same time contracted for deferred annuities on their own lives.

So completely was the House won over to belief in the efficacy of life annuities that although the life insurances clauses were hotly assailed as Government competition with private business, the extension of the principle of annuities was generally approved. (6) The measure ~~however~~ ^{thus} was carried through both Houses with little delay and received the royal assent in little more than a month from its introduction into the Commons. Annuities ranged from £4 to £ 30. Deferred annuities could be purchased outright or by payments over a period of years; immediately effective annuities were still purchasable by a single payment , and might depend on single lives or on joint lives with benefit of survivorship or on the joint continuance of two lives. Save in cases of insolvency or bankruptcy, no annuity was assignable.

By 1864, when eleven years experience had developed weaknesses which a new statute sought to repair, the principle of state managed annuities was unchallenged. Encouraged by the remarkable success of the Post Office Savings Bank, W.E. Gladstone was emboldened to extend its scope in the promotion of insurance and annuities, the Postmaster General to act as the agent of the National Debt Commissioners in both fields.

As in the earlier bill, the annuities clauses of the measure which in 1864 ,repealed the 1853 Act ,passed with little debate while the insurance clauses were contested step by step. Easier terms and a greater range of choice marked the measure which became law on July 12, 1865.

Smaller instalments -2/ was the minimum- were accepted at

more frequent intervals-weekly, monthly, quarterly or half-yearly as suited the buyer- and the maximum annuity was raised from £ 30 to £ 60 .The rule that made a deferred annuity purchase a requisite for the underwriting of a life insurance policy was eliminated. Another modification made a life insurance policy, after payment of premiums for five years interchangeable for a paid-up policy of an immediate or a deferred annuity; still another made policies assignable and transferrable. Two other important changes may be noted Under the Savings Bank Act which laid it down that no person could hold two accounts at the same time, possession of an annuity account had debarred the subscriber from having a purely savings account at the same time. This clog to the working of both measures was removed. Then again an arrangement whereby the payment of slightly higher premiums secured repayment of contributions in the event of inability on the part of the purchaser in carrying them on was held to add to the attractiveness of the scheme. To illustrate-a man of 22 years of age might contract for an annuity of £12 at 60 years of age. If he were willing to risk loss of all payments in the event of the policy lapsing , he paid 2/ a month. If he wanted protection against that contingency, he paid 3/ a month for identically the same ^{benefits} policy. Forty-four folio pages of instructions and 48 octavo pages of tables for postmasters with short abstracts for the public were issued to disperse information as required.

A few extracts from one of the sheets for distribution may be worthy of note: (7) "Any man wishing to have

an income of 5/ after he is 60 years of age for the rest of his life and secure it from the Government by paying into the Post Office eightpence a week from the time he is 19.

"All the money so paid can be taken out again at any time before he is 60 . If he dies before 60, it will be paid back ^{to} ~~to~~ whomsoever he may appoint.

"Any man may secure from the Government the same income of 5/ after he is 60, for the rest of his life by paying into the Post Office 5 pence a week from the age of 19, and one penny at the end of each year, but in this case he cannot draw his money out again, nor will it be paid to any one else if he dies before he is 60.

"Any woman wishing to have an income of 5/ after 60 for the rest of her life, can secure it from the government, by paying into the Post Office 9 pence a week from the time she is 19, and if she dies before 60 it will be paid back to whomsoever she may appoint.

"Any woman may secure from the government the same income of 5/ after she is 60 for the rest of her life by paying into the Post Office $6\frac{3}{4}$ pence from the time she is 19 but in this case she cannot draw her money out again, nor will it be paid to any one else if she dies before 60.

"Any larger pensions up to £ 50 can be secured from the Government by proportionate payments."

Special stress was laid upon the fact that the whole credit of the nation was the guarantee of payment of annuities in due course.

Great was the enthusiasm of its supporters when the bill passed the third reading in the Commons. It was confidently hailed as a great step towards the reduction of pauperism. One joyful advocate expressed the opinion, that with the Act in operation, the poor man who found himself facing penury in old age had only himself to blame. (8)

Nothing in the earlier history of annuities went to sustain such sanguine expectations. When in 1829, Higham opposed extension of the existing Life Annuity Act, ^{to smaller} ~~smaller~~ payments, he buttressed his case by pointing out that even among the more favored classes whom that Act sought to attract, annuities granted by the Commissioners had averaged no more than £ 14,000 a year although these annuities were open without restriction to the public; most of these, moreover, being taken up by a society for the benefit of widows of naval surgeons. (9)

Despite a comparatively good send off of 230 annuity purchases in the first twelve months, it soon became evident that the new annuities were failing to capture the popular imagination. Later progress was chiefly in immediate annuities which could not be construed as saving in youth against the coming of Old Age. On December 1870 only 335 Post Office contracts were in existence representing deferred annuities of £7,342-16/- this, in spite of extensive government publicity and exhortation from progressively minded employers and benevolent propagandists. Even a Treasury provision that the office of any government department or railway company

should be recognized under the Act as an office for the acceptance of annuities proposals failed to stimulate the interest of those whom the increased facilities were intended to benefit.

Recognition that the annuities scheme was falling flat upon society led to the formation in 1872 of the Provident Knowledge Society, founded after the reading of a paper by G.T.Bartley before the Statistical Society and dedicating itself to the task of disseminating information among the workers as to the best means of making provision for old age through regular weekly or other payments.(10) This provision, it ^{consequently} concerned, could best be made by subscribing for Government annuities, As we shall see later,(11) Mr. Bartley himself in time to come was to lose faith in annuities and lived to introduce several old age pension bills into a House of Commons that had ceased to regard annuities as offering any way out of old age pauperism.

The Provident Knowledge Society which included Earl Granville, and Sir Charles E.Trevelyan engaged in no relief work and confined itself entirely to lectures, personal visits to employers urging them to aid the Post Office in collecting dues and calling on the well-to-do to instil confidence in the Act by taking out small annuities themselves. Employers were asked to regard a working man's insurance policy or annuity documents or any kindred proof of providence as part of his character evidence when seeking a job. From time to time, the Society suggested modifications in the Act. It was one of its members, Dr. Stallard who drew attention to the failure of the Post Office to adapt itself to the class whom

annuities were intended to benefit, in that it was open for annuity business only from the hours of ten till four- when the vast majority were at work. Another member, a Mr. Howell, revived the National Friendly Society idea of Rolle and suggested that such a society be inaugurated by handing over to it the eleven million pounds of Poor Rates collected annually- a suggestion that fell upon deaf ears.

When Henry Fawcett became Postmaster General, his attention was drawn to the unsatisfactory progress of life annuities. Seeking to effect improvement, he secured the appointment of a Select Committee, with himself as chairman which inquired into the question generally, and passed recommendations which took shape in the Government Annuities Act of 1882.

In addition to extending the scope of insurance provisions of the earlier legislation, this act raised the maximum annuity to £ 100, immediate or deferred and these could be secured on behalf of any person not under 5 years of age, the two tables- premiums returnable or non-returnable were retained for deferred annuities. Payments for insurance were to be and both types of annuities, made annually or in a single sum.

Although the number of annuities contracted for showed an appreciable increase in the years following the adopting of the Fawcett Bill, the figures remained pitifully small as compared with those of the working class population. In the nine years that followed the Act, 820 deferred annuities were contracted for on the returnable and 360 on the non-

returnable scale as compared with 330 and £70 respectively in the nine years preceding the Act.(12) These figures bear eloquent testimony to the fact that these small deferred annuities were far from popular among the very classes for whose benefit the special regulations concerning them had been framed.

Why did a provision, the repeated amendments of which testified to the sincerity and even doggedness of the various legislators who had framed it fail so signally to fulfill expectations?

As far back as the days of Norman overlordship the Anglo-Saxon had been taunted about his excessive providence. Much later the poet Spenser described his countrymen as a dispendious people. There was therefore a tradition for thrift among the classes to whom this particular form of thrift was unacceptable. One explanation repeatedly advanced was that the growing abuse of Poor Relief up until the drastic overhauling of the Poor Law in 1834 had helped to destroy much of the spirit of independence. Sheer ignorance and carelessness on the part of the workers was put forth by, among others, leading members of the Provident Knowledge Society, as a reason for the scanty use of annuities by the working classes. But as we have seen, even when much of the ignorance was dispelled by a long continued barrage of publicity to promote ^{and a variety of} annuities, schemes attested to disappearance of at least some of the indifference, it still remained painfully evident that annuities were not the panacea

that was sought. Governments that were remote from the laboring man were slow to realize what was much more quickly gathered up by both Friendly Societies and Trade Unions that annuities began at the wrong end so far as the working classes were concerned. Industrial England had already become familiar with the spectre of unemployment through bodily infirmity or simply of lack of work to do. To provide for these contingencies was the worker's first consideration. Until these had been attended to there was little prospect of the working classes generally taking up life insurance or annuities.

There was another serious obstacle in the way of Government annuities. A long series of reckless and unsuccessful private ventures causing immense loss and suffering to confiding contributors had produced an inbred distrust of long term undertakings among the workers. As early as 1778, Dr. Price had waged steady warfare against annuity clubs which made impossible promises based on hopelessly unscientific tables. In the glare of unwelcome publicity many of the most flagrant offending bodies were shrivelled up and passed out of existence. But the breed was strong and not easily extirpated. That state of the law made it easy for schemers with the appearance of affluence to start a society with little behind it but the use - not infrequently unauthorized - of imposing and respected names. In discussing the pitfalls which beset the thrifty but unknowing working class investor against Old Age poverty, William

Bovill M.P. for Guildford, related in 1865 to the Commons a case that had come under his notice:

"One or two persons started a Life Assurance and Annuity Society and published a flattering prospectus inviting domestic servants to invest their savings. Funds flowed in but the whole of the monies was appropriated by the managers and directors and when the limited field which they cultivated was exhausted, there was nothing to pay the insurers. It then appeared that the promoters had hired 12 directors and had given them names of great distinction representing the best of the City of London, impersonated by retired schoolmasters with bald heads, powdered wigs and every artifice to inspire confidence. The rate of payment was five shillings a day. Farther, to insure a good personal appearance, coats, waistcoats and trousers were supplied and the directors were enjoined to wear expensive rings supplied out of the funds and for not wearing a ring, the fine was 2/6."

The result was that thousands of the poorest classes in society were defrauded of their hard won savings.

Later on in his arraignment of bogus societies Bovill showed how the law lent itself to deception. The provision that the deed of settlement of such a company had to be signed by holders of a fourth of the capital and one fourth of the shareholders was too easily evaded. He cited a case in which a man who did not possess 40,000 farthings and was induced to sign for £ 40,000. His only means of

payment, Bovill declared, was the shilling which the promoters added to the pot of beer he received for affixing his signature to the deed. Another trick was to issue one prospectus to the public and send a totally different one to the Registrar of Friendly Societies. (13)

It would be a grievous error to fancy that there were no honest companies. But the great misfortune was that the poorer classes had no means of telling the spurious from the genuine. Nor is it surprising that the workers after learning of the malodorous story of so many companies should fight shy even when the Government stepped in and offered a complete security.

Chapter Two

- (1) Select Committee on Government Annuities (1829) P 39
- (2) Ibid P 6
- (3) Ibid P 32
- (4) Ibid P 39
- (5) Hansard; Parliamentary Debates vol 129 (Third Series) P1198
- (6) Ibid
- (7) Government Advertising Sheet : Quoted in Journal of the Society of Arts vol 20 P 183
- (8) Hansard; Parliamentary Debates vol 175 (Third Series) P2038
- (9) Report of the Select Committee on Government Annuities (1829) PP 11 and 12
- (10) Journal of the Society of Arts vol 28, P 188
- (11) Vide infra P 104
- (12) Statistics of Post Office Annuities from 1882 to 1891
Quoted in Report on Old Age Pensions, Charitable Relief and State insurance ; by J.C. Neild (Sydney N.S.W.) P 97
- (13) Hansard; Parliamentary Debates vol 173 (Third Series) PP1601-2

CHAPTER THREE

It must not be assumed that while anxious administrators and students were laboring to perfect annuities, there was unanimity among those who favored dealing with Old Age poverty by methods remote from the Poor Law. While Fawcett was anxiously repairing the weaknesses of the Government annuity structure, the country's attention was attracted by an enthusiastic and persuasive reformer who sought to divert its efforts ^{into a new channel.} for the poor, William Lewery Blackley, Honorary Canon of Winchester Cathedral had a wide experience as a clergyman of the Church of England in the country and in London. This experience joined to a deep interest in social questions and a capacity for painstaking sifting and collation of facts and statistics eminently equipped him for the study of pauperism, its causes and cure. Thriftlessness, he held was the bane of the poor—a defect aggravated by reprehensible folly in the spending of a disproportionate amount of their earnings on the traditional vice of the English and Scots—intemperance. Blackley had none of the qualms of earlier reformers about interfering in the lives of the poor, whether asking or independent of poor relief. Since the working population would not insure voluntarily by taking out Government annuities the State must exercise compulsion toward thrift in the same way as if provided statutory enforcement of the exercise of other cardinal virtues. The system of punishment and rewards was to be brought up to date. Blackley advanced this thesis

in a long article entitled "National Insurance a Cheap Practical and Popular Way of Preventing Pauperism" which appeared in the Nineteenth Century of November 1878. The National Club for which John Rolle had pleaded and which Whitbread rejected became the basis of Blackley's plan. The Club acting through the Post Office was to require from every wage-earner or receiver of income, rich and poor alike, a sum tentatively fixed at £ 15 to be paid either in instalments or in a lump sum as an insurance against sickness and old age. From the fund thus created would be paid to qualified insurers eight shillings a week during sickness and an annuity equal to four shillings a week after the age of 70. (1)

Liberty to choose his own society was to be accorded the applicant with the proviso that his choice must be a society approved by the Government actuaries. Left to himself, Blackley declared, not one workman in a hundred could select a sound society. This danger, however, he placidly remarked would pass in course of time, for he envisaged the eventual disappearance of all privately managed societies which could not hope to compete with the rates and security of the national club. As Blackley was critical of even the best managed society^{is} of his day, he speedily aroused opposition in a powerful quarter that was able to offer relentless battle to his social insurance project. Nine tenths of them were insolvent, he declared

and were saved from financial asphyxiation only by the oxygen of the forfeited payments of lapsed members. To the initial objection that Friendly Societies stood to suffer from Government competition, he returned the sufficient answer that Friendly Societies existed for the benefit of the people and not the people for the benefit of the Friendly Societies. Reasonable enough as this view might seem, it did not pass unchallenged. The sentiment - the Friendly Societies rather than the Poor - was clearly voiced by Mr. Reuben Watson, actuary to the Manchester Unity Oddfellows, who when asked by the Select Committee of the House in 1885, "If you could devise some scheme which would be for the welfare of all classes in this country but which would be to the detriment of Friendly Societies, you would not object to it on that ground?" replied, "Well, I think I should object to it. I think that Friendly Societies have voluntarily done a very great deal of good in this country and I think they ought not to be interfered with by the establishment of any system which would be injurious to them". (21

Blackley was far from sharing this utterly selfish view. At best, he argued, the Friendly Societies, to the good work of which he was ready to pay tribute, made the position of the provident man more secure. The real problem lay with the improvident man - his name was Legion - who lay outside all self-help combinations and fell in increasing numbers upon the Poor Rates.

"Poor relief is in fact contributed by rate-payers, a large proportion of whom have been more temperate

frugal and self-denying and yet are hardly less poor than the very paupers whom they have to support", wrote Blackley

"To those who plead the liberty of the subject I ask:

"Which is the greater interference- to make B provide for himself by compulsion or to make A besides providing for himself provide for B as well and by compulsion as he has to do at present?" (3)

Since insurance was to be made compulsory by the state, the state in turn must guarantee security. Once the national club was established the state would enact legislation to assure the permanency of the payments by requiring every man in the kingdom, even the wealthiest, to guarantee his contribution and thus give security against ever falling into dependence on Poor Relief. The fourteen or fifteen pounds premium which he fixed for the inauguration of the plan, might, he thought, be reduced in time to as low as £ 10, by the accumulation at compound interest of the contributions made on behalf of wealthy youths who would never have to draw upon the fund. Single cash payments once for all in advance were the ideal as lowering the costs of management, but he realized that such method was impracticable for a multitude of young men earning scanty wages and hopelessly unable to make a lump sum payment of the magnitude he had in mind. Bowing to necessity, he contemplated weekly payments for the poorer classes to be kept up until the stipulated premium had been accounted for. When a youth reached 17 or any later age at which he

became an earner, he would pay six shillings a week for a year or three shillings a week for two years or until his premium was paid up. Employers were to be required to demand production of a club ticket from applicants for work certifying full payment of the premiums to the national club, or failing that, to make arrangements for weekly deductions until the whole was paid, an idea which in a modified form was adopted much later in the Health and Unemployment Insurance Act of 1909.

An important feature of the scheme was its freedom from all connection with the Poor Law administration. This was not a state subsidy to paupers; it was to be a self-supporting enterprise which was meant to repair that "improvidence for the growth of which our poor law system is and must be from its very nature chiefly responsible." Possessing in the Post Office an organization with branches in every parish, the national club was to start with an important advantage over the privately managed societies from whose collecting agencies the migratory worker not infrequently became detached, to lose the benefits he had paid for in previous years. According to its author the scheme would not cost a shilling of public money, while the ratepayers as a result of it would be compounding for at least half the Poor Rates their property would ever have to pay. First the male and then, as the scheme was extended to both sexes, the female pauper would disappear for ever from English social economy. Far-seeing parents would ensure their children at birth for about £ 8 which with compound

interest would accumulate to £ 15 by their eighteenth birthday, thus solving the problem of raising their old age and sickness premiums. Blackley even discussed a means of returning the initial deposit without interest to the parents in the event of the child dying before attaining eighteen years of age.

An important break with previous advocates of insurance was Blackley's abolition of all distinction between innocent and culpable poverty by his all-embracing membership.

Summarizing the advantages of what had been the most rational scheme put forward up to that time, Blackley emphasized the following considerations:

- (1) It would, at a rate below all possible competition, provide every man against destitution arising from sickness or infirmity.
- (2) It would make it absolutely secure so far as regards payment of contributions , that being made once for all in advance.
- (3) It would make payment of claims absolutely secure.
- (4) It would make every Englishman practically independent of poor law aid.
- (5) It would be a matter of simple justice to every man willing to make his provision as he ought to do.
- (6) It would be a measure of immense benefit to the thriftless, thoughtless boys of the nation , securing them a provision for life , while teaching them at least one systematic lesson of personal self- denial

of individual and social duty and of their own power in a year or two to lay up an important sum of money.

(7) It would give every Englishman a direct interest in the stability of our institutions.

(8) It would in a few years reduce our enormous, immoral but otherwise indispensable poor law expenditure by at least 50%, while the system if applied as it might be in time to both sexes might result in the almost total abolition of poor rates. Pauper relief, while continuing its ordinary functions among the existing generation of aged poor who would inevitably be outwith the scheme, would expire slowly and painlessly with the passing of that generation. No contributor to the National Pension Fund would ever require pauper aid. His membership would assure him of the comforts he needed in age or sickness.

(9) In proportion as it diminished rates, it would tend to raise wages in every branch of industry.

(10) It would save every Englishman from the disgrace or hinder him from the dishonesty of pauperism.

(11) The measure could do no real injury to any and must do real good to all.

Specially important in Blackley's mind would be the removal of the usual first step into actual pauperism, the application for medical relief, since insured members would find it infinitely cheaper to contract with their doctors for medical attention for five shillings a year

as they might do when insured , rather than pay ~~for~~ pay for each visit in addition to paying for certificates of illness when recourse was to be had to public relief. (4)

Fertile and ingenious as Blackley was in construction his greatest contribution came from his ability to inspire others with a like enthusiasm. While his own particular brand of pension arrangement failed of acceptance , ~~him~~ his ardent propaganda and intelligent presentation of the needs of the aged lifted Old Age Pensions once and for all out of the realm of purely academic questions and made them an issue that clamored loudly for treatment by the nation and before he died in 1902 he had the consolation of knowing that he had left simmering in a hundred active brains, ideas that could not but bear fruit in due season. We have seen how before his time, fitful gusts of opinion brought up the discussion of old age pauperism only to let it sink out of sight again. Blackley's industry in pamphleteering and lecturing started an agitation which did not subside until thirty years later, after he had gone to the grave, an Old Age Pensions Act was placed on the Statute Book. Four hundred meetings captivated by the eloquent oratory spiced with the pugnacious humor of the Irish clerical controversialist passed resolutions in favor of the scheme and the formation of the National Providence League with the Earl of Shaftesbury as president, brought into existence an influential organization pledged to work towards enacting Blackley's plan into law. Most of Blackley's clerical brethren looked askance at the movement. One of them wrote

a supercilious letter to the Church of England paper, the Guardian, urging his fellow parsons to refrain from helping Blackley in "manufacturing" his statistics-an exceedingly unfortunate line of attack against a careful student whose statistics were always verified and documented. (5) Still, if the clergy were slow to respond, influential converts were speedily forthcoming from highly-placed laymen. It was one of these, Lord Carnarvon, who projected the scheme into Parliament by successfully calling for the appointment of a Select Committee" to inquire into the best system of National Provident Assurance against Pauperism". (6)

This committee, appointed in 1885, underwent considerable changes in its composition in 1886 and 1887, two general elections taking place during its period of existence. It included such well-known figures as John Morley, Stanhope, Herbert Gladstone and Sir Herbert Maxwell. Blackley in giving evidence before the Committee, revealed the astounding fact that half the population of the nation over 60 years of age died paupers. (7)

If Blackley's devastating expose of the actuarial insolvency of the Friendly Societies had emphasized the need of more scientific tables, it had also raised enmity against his own form of insurance in a powerful quarter, which was not placated by his plea that the Friendly Societies stood to gain by being freed from the increasing drain upon their resources by continuous sick pay for aged members- which really amounted to superannuation. "The Friendly Societies politically speaking, killed Blackley" was the comment of a

later enthusiast, Rev. W. Moore Ede. That was an opinion. What is certain is that Blackley's sick pay suggestions were sufficient to draw throngs of interested society officials to the committee rooms in angry protest against any departure that would create State competition with the functions of the organizations they represented. The Committee, although reporting against the adoption of Blackley's plan, acknowledged that its most important feature, the old age insurance, was free from most of the objections urged in the interests of the Friendly Societies, against the linking of sick benefit and old age insurance. "No conclusive evidence was given" says the Report "to show that the establishment of a compulsory society on a national basis could endanger the funds or affect the soundness of any existing voluntary society conducted on a sound principle".

Time, which ultimately was on the side of State Pensions, had worked against the innovation at this stage, and had aggravated the actuarial and administrative difficulties of the scheme. Five years had elapsed since Blackley had fixed £ 10 as the final premium for the purchase of the insurance and sickness benefits he sought. That figure he had based on the report of an actuarial committee appointed to aid the inquiries of the Parliamentary Committee of 1875 on the Friendly Societies Act. In the interval interest rates had fallen largely, and the Committee took the view that £ 10 was insufficient premium and that a vast number of youths could not hope ever to be in a position to raise that amount, let alone the increased figure that

actuarial requirements called for. In any case, Blackley, offered no substitute figure; although one might have the information upon which to base a conclusion, he explained later, one could as yet get no actual certification of it for the simple reason again, that no actuary would give an estimate, except as based upon experience and no universal tables of mortality and sickness were available. On the other hand, actuarial estimates as relating to Old Age were more easily obtainable. Thus Blackley defended himself from the charge of asking the country to commit itself to a scheme that was financially wrong. Still his scheme for solvency relied on the death of half the insured and on the accumulations therefrom at compound interest and in the last analysis, he envisaged some assistance from the State, an admission that was eagerly pounced on by unfriendly critics in view of his earlier boast that the insurance would not cost the State a shilling.

Summing up its conclusions, the Committee in its final paragraph of the Report paid the following generous tribute to the man whose edifice they felt constrained to demolish:

"Your committee although unable to recommend the adoption of Canon Blackley's scheme, feel that they cannot conclude their report without recording their sense of the disinterested patience and energy with which he has endeavored to remove the causes which tend to drive the poor into the workhouse. He has brought to light an immense deal of information on a subject which lies at the root of

the happiness and welfare of large masses of the population- information which cannot fail to prove useful in any future legislation which may be undertaken; and his proposals, though in the opinion of your Committee, they appear objectionable in some respects and impracticable in others, contain more valuable suggestions, and seem to be based on more extended knowledge than any of the other schemes which have been brought to their attention." (8)

It is clear that a negative conclusion could not be regarded as final. At all events the paragraph quoted is indication that the Committee did not think it had said the last word on the subject. Indeed, Blackley maintained that the verdict was two fold- rejection of sick pay but merely postponement of Old Age insurance. For confirmation of this belief there was the finger post to future legislators deliberately set up in the Committee's reduction from the 70 years- the pension age of the German scheme which was explained in considerable detail by Judge Aschrott of Berlin- to 65 as the age at which financial aid from the State should be forthcoming. Points of special importance in the development of the public attitude towards pauperism were the Committee's discoveries of the existence of a widespread pauperism beyond the capacity of existing poor Laws to deal with; of the failure of all but a very small proportion of the stronger members of the working classes to make any material effort to save ; and of the instability of a large number of Friendly and Benefit Societies, to such an extent that it became advisable to

warn the workers of the danger of relationship with them. It also demonstrated the inadequacy of existing Insurance Companies to provide a means of security for the future of the average worker. Chief of the conclusions which marked the Committee's work as an important stage in the journey towards State pensions were its dismissal of compulsory insurance and the sick pay provisions as linked with old age relief-both being regarded as impracticable. Here at least was a final verdict from which there was no appeal in future consideration of the subject.

Five years later in reviewing the progress of the National Providence campaign which had continued unslackened, Blackley confessed to a tactical error in linking old age and sick pay in one plan;

"Had I known earlier, what additional study has convinced me of in the meantime, namely, that the crying need was almost entirely that of Old Age pensions the greatest and most grievous part of our pauperism resulting from Old Age distress I should have altogether left out the provision for sick pay during working life, which met with, for the time, interested opposition and should have urged at all events as the thin end of the wedge, Old Age provision alone." (9)

It may not be inopportune to remark here that Blackley's mistake of asking too much at the beginning was one that was repeated by later advocates, just as it had been committed by Paine a century earlier. Later reformers were however, less ready than Blackley to perceive and retract their errors, Charles Booth made the same mistake when he sprung upon a shocked and indignant public his demand for universal pensions at 65 for rich and poor alike, at an estimated cost of £ 17,000,000- a conception which Lionel Holland

a friendly critic of Booth described as being "too heroic for an age of small ideals smothered in bulky blue books". A million and a ^{quar-}half pounds, it is to be remembered, was the sum laid aside with a great flourish of trumpets for Old Age Pensions in the first year of operation of the Act of 1908!

To Blackley must be given the credit of introducing two very important figures, John Morley and Joseph Chamberlain to the subject of Old Age Pensions, although he did not succeed in imposing his own views on either. John Morley had concurred in the Select Committee's decision in 1887, but Blackley's facts and figures had imbued him with the conviction that a condition prevailed among the aged that called loudly for remedy. The vague feeling that possessed him of the need for some kind of action, without any clear conception on his part of the best method of approach to the problems, is evident in his speech before the National Liberal Federation at Sheffield in the autumn of 1890. After giving a resume of the Liberal programme, as transcribed by the Sheffield press, Mr. Morley raised the question in the following terms:

" Could not the State use its influence in the direction of something like National Insurance? The most affecting thing to be seen in modern society was that after men had worked, after they had spent all their natural force, they were so often left beggars. The statesman would deserve well, would deserve even more than the winners of battles who could bring knowledge, experience and accurate methodical thought to the great problem".

Even more important, from his growing influence in the councils of his party and the nation, was the winning over of

Joseph Chamberlain. In the plenitude of his powers as an orator and debater, not yet shed of his earlier Radicalism, although in close affiliation with earlier political opponents, Joseph Chamberlain in the last decade of the nineteenth century was a force to be reckoned with. No cause to which Mr. Chamberlain gave adhesion or approval could be regarded as negligible; such cause might meet with opposition; it could never be dismissed with indifference or contempt. When Mr. Chamberlain pronounced himself a convert, Old Age Pensions moved to a front place among the social questions of the day and definitely became "practical politics".

Leadership, not following was Joseph Chamberlain's forte and it was characteristic of the neophyte that he soon had an idea which sought to supplant that of the master. His first public identification of himself with pensions was in 1888, on the ground that the question was of cardinal public importance, he associated himself without committing himself to support of the principle, with the demand put forward by the National Providence League for a reference of Canon Blackley's proposals to a Parliamentary Committee of inquiry. Later, in 1891 he acted as chairman at a conference of members of the League, and a few members of parliament who were sympathetic to the idea of pensions but were not committed to any special application of it. One conference led to another. Interest steadily increased, until about ninety members of Parliament formed a Voluntary Committee for the consideration of proposals. A vast quantity of valuable data was gathered, the strong and weak points of existing and projected measures of relief were analysed, and the Committee reached agreement on two very important points (1) acquiescence in that part of the 1887 Report which declared

against compulsory insurance, (2) recommendation of State aid in the form of bonuses on insurance payments. NO false sensitiveness about consistancy kept Blackley from aligning himself with this shift of authoritative opinion and he threw the full weight of his prestige behind the propaganda for voluntary State-aided insurance as a step to realization of his own national scheme.

Apprehension arising that the National Providence League was unduly compromising, the following statement was issued:

"New proposals are for the establishment of a voluntary state aided pension scheme. These proposals, the National Provident League cordially welcomes as tending in the direction of its own objects, namely, the extinction of Old Age Pauperism and will lend its best efforts to the advocacy of any scheme resolved upon by the newly formed Voluntary Parliamentary Committee on Old Age Pensions which does not contravene the following principles (1) That contractors for an Old Age Pension State benefit be required to make a contribution from their own resources (2) That the contribution made by contributors for their own share of the pension assured be recognized as entitled to State augmentation if they are made through some financially sound organization, whether a Friendly Society, a pension trust fund or the Post Office". When the voluntary scheme had been tried and found wanting- for lack of volunteers- reasoned Blackley, there would have to be recourse to a plan at once compulsory and universal. The agitation for non-contributory pensions was still to come to falsify his logic. (10)

While the Voluntary Committee was studying the various systems, a new impetus was given to the movement by the study of Continental practice in combatting Old Age destitution. Attention was turned to the Continent by Col. Howard Vincent M.P. who after

unsuccessfully urging subsidizing of Friendly Societies in 1890 moved in the following year for a return of the assistance afforded or facilities given by the governments of Europe to the provision for their Old Age of the industrial population, whether in the shape of compulsory insurance, State annuities, State guarantee of the security of industrial savings or grants to Friendly of benefit societies. The information asked for was laid on the Table in November of the same year. (11)

Interest in this return, however, was somewhat eclipsed by the appearance in Parliament a few months earlier of an English translation of the German state insurance law, consisting of 162 articles.

Looking back from the vantage point of to-day, it will be found that these papers had an influence on the progress of the movement much more important than was attached to them by contemporary judgment. With their publication showing legal machinery in actual operation, Old Age provision was raised out of the realm of speculation. Here were facts, not theories, by which all similar projects, visionary or practicable could be weighed and tested.

The parliamentary return showed that France and Italy had drawn up Old Age Pension systems which still awaited legislative sanction, while Denmark and Germany had laws in effect. Denmark voted half the costs of pensions to her aged population out of the general taxes imposed by the legislature, the other half being drawn from the local treasuries. As it was the German scheme however, which received most attention, from opponents and supporters alike of State pensions in Britain, that system may merit a more detailed study.

Two shots at the Emperor ,Frederick William, on Unter den Linden drew national attention to working class complaints and had something to do with an Imperial message in 1881 expressing the conviction "that the cure for social ills is to be sought , not exclusively in the repression of social democratic excesses, but likewise in the positive furthering of the laborers' welfare..... those who are disabled in consequence of Old Age or Invalidity possess a well-founded claim to a more ample relief on the part of the State than they have hitherto enjoyed," The Law of Invalidity and Old Age Insurance" the crowning act -to use the words of Sir Rennell Rodd "of that great system of National Insurance which is destined ultimately to cover all classes of laborers and workmen throughout Germany" passed the Reichstag in May 1889. Insured workers were divided into four classes- annual earnings, of £ 15, 25, 36, 48, being the lines of demarcation- and every insured person who had reached 71, was entitled to an allowance from £ 5-6/5 a year to £ 9-11 varying according to the classification mentioned- for old age without necessarily proving that he had become incapable of work. Persons who before reaching that age had in consequence of mental or bodily infirmity become unable to earn at least one sixth of the average standard of wages according to which ^{they} he had paid contributions during the five previous years, were entitled to allowances. State subsidies for the Old Age and infirmity allowances they had to pay, were made to insurance and benefit funds recognized by the Federal Council. Forty- seven weekly contributions to the fund constituted the annual premium and thirty contributory years the prescribed period of waiting before allowances from the Old Age Pension fund became due, five contributory years similarly being the

stipulated term of qualification for infirmity allowances

British criticism at once fastened on the leading and least attractive feature of the German National System, its compulsory nature. The German worker whose occupation fell within the scope of the Law had to insure whether he liked it or not. Times without number, the argument was advanced that no Anglo-Saxon community would submit to the compulsion regimentation and card indexing of the German social schemes. The British elector was reminded of this inherent dislike of that sort of thing through the various Old Age Pension agitators' right to the passing of the Health and Unemployment Insurance Acts containing every single alleged objectionable German feature.

The action of Germany exercised great influence upon the question of State insurance which moved rapidly in almost every country in Western Europe.

When in this atmosphere of increased interest through knowledge of Continental methods, the Voluntary Committee got down to the actual business of formulating a unified policy, it had to choose from four schemes, varying in details but all based on the principle of voluntary insurance supplemented by State aid. These were submitted by Joseph Chamberlain, two other M.Ps. Dr. Hunter and James Rankin, and John Lloyd, secretary of the National Providence League.

Lloyd whose proposals were largely those of Canon Blackley brought into line with the Committee's accepted formulas, in obedience to the Canon's wishes and the declared strategy of the League, fell into line with the general will of the sub-committee; aided to this decision by Chamberlain's expressed

intention of supporting a compulsory scheme when favored by public opinion.

Rankin's ideas:- pensions of £ 4 a year, consisting of £ 2 from the State and £ 2 from local rates, supplemented by outdoor relief where necessary- to mention their chief features- were ruled out chiefly through their failure to escape the deadly taint of the Poor Law.

Dr. Hunter's name had long been before the public by virtue of a plan he had proposed for Scotland of pensions at 65- or on disablement, before that age. Study of Germany's pension law had its effect in his adoption of the German regulation fixing 48 weeks as the working year. The following tables which were appended to his draft had the merit of being in accordance with actuarial calculations.

Weekly Wage	Worker's Contribution. Pence	Employer	State
6/ to 11/11	1	1	4
12/ to 17/11	2	2	4
18/ and up	4	4	4

The weekly pensions for these three classes were to be ~~three~~ five, seven and ten shillings respectively.

It will be seen that in the case of the poorest paid workers, the State contribution was to be double that of the worker and ^{Employer} State combined. Here was a substantial step towards State pensions. In the case of the lowest grade of worker mentioned here, it was realized that in many cases as he grew older, perhaps stronger and certainly more experienced, he might move to one of the higher grades with increased contributions and correspondingly increased prospective pensions.

Like Blackley, Hunter was manifestedly ready to merge his views with any others that appeared more likely to come into effect; and he threw in his lot with Mr. Chamberlain.

It is not surprising that Mr. Chamberlain's first ideas were modifications of those of Canon Blackley. Both contemplated joint contributions from the future beneficiary, with this difference that for the Canon's final estimate of a £ 10 premium, Chamberlain substituted £ 2-10 plus an annual payment of ten shillings until the age of 65 was reached, a State bonus of £ 10 and two and a half per cent interest on the accumulated funds, the whole being expected to yield weekly pensions of five shillings beginning at 65 years of age.

^hBehind the requirement of the initial deposit was a lesson learned from the statistics of the Friendly Societies, which disclosed a tremendous number of lapses among the younger members. Having paid his deposit, it was less likely that he would drop his policy. The deposit was to be a means of retaining him when he might become discouraged by other claims upon him as he grew older.

With this end in view the State bonus of £ 10 was to be entered on the ^{insurer's} ~~insurers~~ book along with his deposit with the interest of $2\frac{1}{2}\%$ added and entered at regular intervals. These contributions from ~~the~~ Exchequer were to come from a State Pension Fund to which Parliament would make an annual grant, which would be supplemented in a proportion to be determined later by assistance from the Poor Rate; the idea being that as any Old Age provision was in the nature of an ultimate relief of the Poor Rate, it was only right that from that source should

come a fair proportion of the cost.

Every year, from the State Fund was to be allotted to the account of each insurer a sum to produce by the time he was 65 an amount equivalent to what £ 10 accruing interest for forty years - from 25 to 65 - would bring. This device was intended to spread the State contribution over the whole period of insurance. The ruling idea was to provide that forcible stimulus and temptation - lacking in Government annuities - which would make the proffered benefits visible and apparent to the most ordinary intellect and induce at least the more thrifty and far-seeing among the workers to make the provision they so sadly required. (13)

Consideration of the four schemes, calling for more time than the members of the Committee could afford to devote to it, the task was left to a sub-committee of four - all members of Parliament, - Messrs. Chamberlain, Hunter, Rankin and Malloch. When this joint Chamberlain-Hunter scheme, passed from the hands of the quartette, it had become part of a much larger plan which in turn was accompanied by a Draft Scheme with eleven clauses of possible alternatives to the contributions and benefits which Chamberlain and Hunter had proposed. To the original scheme, Chamberlain gave the title Case 1, the newer proposals of the Committee he called Case 2, as we shall see, there was a later Case 3. Case 2 was a more ambitious venture into which Hunter, using some information and figures he had obtained from New Zealand introduced tables of contributions on a returnable basis in the event of the worker dying before his pension fell due.

Insurance not only against Old Age Pauperism but against the pauperism of the wife and children of the insurer.

was the high claim made by the authors for the arrangements for compensating survivors of insured workers who might die prematurely. Dependents of any insurer who died before making the third payment were promised the return of all contributions without interest. If death occurred after the third payment but before the age of 65, the widow was to receive a weekly allowance for herself and all children under 12 for six months, the maximum allowance to be 10/ a week, (12/ in the Draft Scheme) . Representatives of the insurer dying before 65 and leaving neither husband or wife and children were to be given £ 5 to cover funeral expenses. The workman had to contribute £ 5 before the age of 25. To induce him to save this, the aid of the State might be given in the form of a bonus of £ 15. The assurer had then to be required to make an annual payment of £ 1, until he reached the age of 65, at which age he would be entitled to a pension of 55/ a week for life. In the case of a woman, a deposit of £ 2 (£1-10) is the sum named in the draft scheme, would be required before 25 to which the State might add £ 8. Her subsequent annual contribution would be 8/. In return she would be entitled to a pension of 3/ weekly, after the age of 65. Every male under 25 might insure for a pension larger than £13 a year but not exceeding £26 and every female under the same age for one larger than £7-16/ but not exceeding £26. Temporary provision of annuities extending over a period of 30 years was to be made for persons over 25 years of age at the time of the coming into force of the Pensions plan.

Arrears of contributions might run on for five years without forfeiture of claims, but interest at 5% would be charged upon all such. Employers of labor were to be enabled to open

accounts for their workers and might also transfer these accounts to the credit of other persons when the original insurers left their employment. Provision was also to be made for payment of premiums in a lump sum.

A noteworthy advance in these proposals was the consideration given to women. Except as a casual afterthought of Blackley, other contributory schemes had overlooked the claims of this most helpless class of the population.

In keeping with a frequently expressed opinion that no hope existed for any Pension bill opposed by the Friendly Societies and the Trade Unions, Mr. Chamberlain made a bid for that support of the Friendly Societies that was denied to Canon Blackley:

"With the view of meeting the legitimate claims of Friendly Societies and of securing their cordial co-operation, it is suggested that the conditions offered by the State shall be offered equally to those who are insured in the societies as well as to those who adopt ^{the} ~~the~~ post office system. The societies will be able, therefore, to compete with the Government on equal ^{terms} ~~terms~~. In other words, it is proposed ^{to} ~~to~~ divide the pension into two parts, one part being attributable to the contribution from the Government, and the other being the proportion provided by the insurer himself. The former will be available as an addition whether the latter is secured in the post office, or in any society, union, or other organisation preferred by the subscriber. As the addition will be made in this case in the form of an increase to the pension whenever it becomes due, it will not be necessary for the Government to exercise any additional control or supervision over the management of the societies. All that will be required

is that the insurer, on reaching 65, should prove that he has acquired his share of the pension, whereupon he will be entitled to receive the Government addition." (14)

Working on this principle, he developed his Case 3. Granted the co-operation of the Friendly Societies, he believed this arrangement would be the best of the three. It suggested a deposit of 30/ (25/ in the case of women) in the Post Office and insurance in an approved society for £6-10 and £3-10 respectively to begin at 65. When the insurer reached the age of drawing on the pension fund, the State would double the amount, raising the pensions to £13 and £7 a year.

All the calculations of the Chamberlain plan were based on the $2\frac{1}{2}\%$ tables of the Government. Chamberlain, however, threw out a hint that the whole plan might be engrafted to municipal institutions, in which case the interest, he thought, would be at least 3% without any lessening of security.

Chapter Three

Notes and References

- (1) Blackley; Article in Nineteenth Century (London) 1871 November
- (2) Select Committee to Inquire into the best system of National Provident Assurance against Pauperism (1885) Q.909.
- (3) Ibid
- (4) Ibid
- (5) Contemporary Review (1892) P 382
- (6) Hansard: Parliamentary Debates vol 253 (Third Series
P 1180
- (7) Contemporary Review (1892) Note: In this article, Blackley explains that Booth arrived at the same estimate although using a different method.

(continued)

- (8) Select Committee to Inquire into the best system of National Provident Assurance against Pauperism (1885)
- (9) Contemporary Review (1892) P382
- (10) Ibid
- (11) Reports on the Assistance given by foreign countries to the Provision of the Industrial Population for Old Age and Insurance against accidents and sickness (1892)
- (12) Ibid
- (13) Chamberlain; Article in National Review vol 24, P592
- (14) Ibid

CHAPTER FOUR

If Chamberlain had persuaded himself that he had bridged the gulf between State pensions and the Friendly Societies, he was not long permitted to retain the illusion. One lone voice, from an ex-official holding no office at the time, was raised in approval only to be drowned in a flood of criticism and protest. Chamberlain himself complained that the Friendly Society leaders hastened to express their disapproval and warned him off as though he were an intruder on their private domain and poacher on their preserves.

At a Conference on Old Age Pensions called by the Friendly Societies, soon after Chamberlain's overtures, George Palmer a former M.P. and a Friendly Society officer counselled the members to refuse to co-operate with Chamberlain, newspaper reports quoting him as saying:

"It would be altogether a mistake for Friendly Societies to mix themselves up with the pension question. They were never established for such a purpose. It seemed to him after reading and thinking over Mr. Chamberlain's article that Friendly Societies were not interested in the matter. If the question were to be solved, it would have to be solved by Government action." (1)

In March 1892 representatives of the Friendly Societies met the Parliamentary Committee and heard the proposals outlined. Later in the year Chamberlain's views were issued in printed form for the perusal of the secretary of every society of any consequence. Comment in every case was hostile. Through their representatives the Ancient Order of Foresters and the Manchester

Unity of Oddfellows formally dissociated themselves. (2). At a National Conference of Friendly Societies held in London on March 29, 1893, attended by delegates from 23 societies, representing two and a half million members and possessing capital amounting to 18 million pounds, the refusal to co-operate was re-iterated in emphatic terms. State aid meant State interference and possibly eventual State control. "To this", said H. Mathews a Friendly Society leader and an M.P. representing a Birmingham constituency adjoining that which returned Chamberlain, "the English working man was unwilling to submit in matters which he had hitherto managed extremely well for himself. State aid carried with it the inevitable taint of pauperism."

An article in Unity, the journal of the Societies, after attacking Chamberlain's views declared:

"This proposal of a State subsidy is an admission that the wages of the working classes are insufficient. If this be so let us raise our wages. Do not let us sit down in perpetual pauperism under the delusive title of State pensioners." (3) Still another critic, T. Mackay, wrote in the same year, "The working classes have turned their backs for ever on all proffers of assistance from the rates and if we may judge from the resolute attitude of the Friendly Societies, there is little fear that these will consent to barter away their birthright for a mess of pottage". (4)

This period which we have been considering marks the summer heat of Chamberlain's enthusiasm for the reform he had espoused. The opposition he had encountered seemed merely to stimulate his ardour. By speech and pen, he fired a series of vigorous broadsides against Poor Law remedies for aged privation. Tracing the

history of the pension movement from Masere's time down to his own, Chamberlain in an article in the National Review of 1892 defended his plan as a step towards the supersession of Poor Law horrors, by a more humane treatment of the aged. In the normal condition, of the majority of the poor, he pointed out, about a week's reserve was all that stood between them and starvation, a strike, a frost, illness or accident at once made them dependent upon others for their subsistence. The workhouse was unsatisfactory and costly to the nation and pauperizing and humiliating to the aged poor. By the nature of the case, it was intended as a deterrent. The inquiries, the exposure of private circumstances, the strict control, the limitations of liberty, the deprivations of the little comforts that formed the luxury of the poor and above all the separation of families, he did not doubt were necessary to the system, but they were penal in their effects. Cut off from all near and dear and forced into uncongenial and often questionable company, the lot of the poor veterans was sad indeed.

"The social question in which is included the relations between classes, the obligations of wealth and the duty of the community as a whole towards its poorer and less fortunate members has of late asserted its importance and the statesmanship of the future will be measured by the success with which it grapples with these hitherto unsolved problems." (5)

With greater political acumen than Blackley, Chamberlain had sought to disarm criticism from the Friendly Societies and from the more privileged section of the nation with which its own political life was becoming more and more bound up. But he was hardly more successful. The Spectator saw eye to eye with Mr. Chamberlain in his dislike of Home Rule; but it manifested almost

immediately a violent antipathy to his economic ideas as the following quotation shows:

" We have always doubted, and after reading Mr. Chamberlain's speeches on the subject we continue to doubt, whether any project of State aided pensions for the aged poor will ultimately succeed. The people, we think, will not take to them. There is a sanguine element, an element of fearlessness, lying deep in the character of Englishmen, and we are told, also of Americans, that exempts them from that apprehension of poverty in Old Age which haunts the minds of the poor belonging to other races. They are either defective in imagination, or they are ready to bear what fate sends without too much complaint, or they are sure in their own minds that they shall somehow evade any distant ills. The insurance offices do comparatively little business in deferred annuities. The clergy who are well educated and are particularly liable to see the widows of their brethren suffer from poverty in age have never organized any general fund for securing to them pensions. The artisans in great establishments such as the railways, strike against deferred pay and it is seriously debated whether the prospect of pensions weighs half as much with common soldiers as an immediate increase in their cash allowances would. The Post Office business in deferred annuities is exceedingly small and the great trade unions which do so vast a business in sickness cannot organize a scheme of any completeness for pensions in Old Age. We judge therefore that for the present any non-compulsory scheme for making a provision for Old Age will fail and that a compulsory scheme would cost such a mass of votes that no party will venture to bring it forward!" (6)

The Quarterly Review was equally out of sympathy with Chamberlain's position. Better wages for the workers was the remedy rather than pensions and then bigger pensions as appetite increased. The Quarterly never was known to support any demand ^{for better wages} on the part of the workers, but the argument seemed plausible enough. Benefits as outlined by Chamberlain were more apparent than real, in the judgment of the Quarterly. Taking the case of a widow whose husband had died before 65, the Quarterly argued:

"Suppose he pays till 50 and has no children under 12 his widow would get ten shillings for six months i.e. £ 13, although he would have paid £ 30 of principal."

There were also other deterrents.

"If the workman through stress of adversity allows his policy to lapse, he not only loses his promised bonus, but also the £ 5 he originally deposited and such annual payments as he has subsequently made."

The bonus of £ 6-10 offered ^{to} ~~to~~ members of Friendly Societies who were already insured to at least an equal amount came in for adverse criticism;

"An unjust feature of this is that those who are ~~not~~ ^{there is} members of societies in which provision for Old Age are left out in the cold. 'To him that hath shall be given'. There are many agencies for thrift whose members this would exclude. The clause that relates to the transfer of insurance from one workman to another would be specially unpopular and would meet with strong opposition. Consider what an engine of tyranny it might become in the hands of an arbitrary employer. A man might work faithfully for his firm for 40 years and be discharged in his age on some trivial pretext and his pension ^{then} ~~then~~ nearly due

be transferred to another .Workers are jealous of employer's interference."

One aspect of the situation plunges the Quarterly into sombre reflection:

"It is sad to think that two out of five of the total population ,or a half of the industrial population over the age of 65 end their lives in receipt of parish relief."

We can imagine the writer plunged into gloomy reverie over this distressing estimate,backed up by official statistics but suddenly his brow clears,the frown vanishes,a consoling thought occurs to him:

"But then, the number of working people who do reach the age of 65 is not large.The chances of living to 65 are so remote and the difficulties of struggling through life with straitened means are so great that the struggles of the present and the contingencies of the immediate future well-nigh efface anxious thoughts of the period of age.'For where the gr^ater malady is fixed the lesser is scarcely felt.'The only forms of pension that will render age independent in the best sense of the term,that will yield comfort and content without weakening the healthful sense of individual responsibility which is the backbone of character are those already in existence.They are those obtained by association in a trade union,in friendly and kindred societies and in industrial partnership between employer and employed. The first one already very largely developed,the second are in their infancy.But both contain the vital elements of success, both are capable of more vast and more perfect development.Both are deeply rooted in individual responsibility,both teach the high and salutary law that sowing must precede reaping.Each of these

movements is still extending, each has met with serious opposition in quarters where assistance should have been anticipated. Even the State is not guiltless as the early history of the friendly societies and trade unions testify. And now, in the time of their extension and prosperity, when they are gathering in members on every side, and doing a splendid work, it is proposed to bring the State as a competitor into the field; the State whose hands are already full of burdens at the expense of the already over-taxed and under paid workman." (7)

To organized charity in general and the Charity Organization Society in particular belongs the unevitable distinction of being the most obstructive element in the country against the progress of this long overdue reform. Among Friendly Society leaders, there were found many severe critics of State pensions, who later were won over to at least lukewarm acquiescence by the sheer logic of events; there were not lacking Trade Union leaders and demagogues who denounced contributory pensions and annuities as traps set by cunning capital for unwary workers, and yet lived to hail pensions as a part of the debt of the State to the worker; but the Charity Organization Society fought State pensions every inch of the way, with the fanaticism of the zealot who worshipped the status quo. If any individual may be singled out for this undesirable pre-eminence, none could dispute the claims of C.S. Loch, Secretary of the London Charity Organization Society. Loch's attitude to the Old Age Pension movement suggests a man who having made up his mind on the subject had bolted and barred all ^{ingress} ~~egress~~ to his brain of any matter that might tend to disturb this settled resolution. To Booth's and Blackley's figures, showing the alarming

proportions of Old Age ^{poverty} pensions, Loch had a ready answer; the statistics were all wrong, official and non-official alike. The lengthy studies and researches of Blackley, Hunter and Chamberlain which lay behind the proposals they put before the country meant nothing to Loch and the proposals themselves he dismissed as the outpourings of cranks and faddists.

It is not surprising that this type of mentality could see in Old Age pensions nothing but a direct encouragement of Old Age Pauperism. He developed this theme in a publication, "Old Age Pensions and Pauperism", which he issued in 1892, consisting largely of facts and figures, statistics of Unions and excerpts from Blue Books. Taking as his text the "broad and sound principles" laid down by the Poor Law Commissioners' Report of 1840 "that the situation of the individual relieved by a compulsory provision on the whole shall not be made really or apparently so eligible as the situation of the independent laborer of the lowest class" Loch argued:

"In most of the schemes now proposed this principle is abandoned. By one to which reference has already been made a certificated pension-holder, prior to the age of 65, when his national pension is to begin, will have the right to outdoor relief till he attains his seniority. Such a pensioner's position will be rendered much 'more eligible than that of the independent laborer' and if it be retorted that all will have this boon and that therefore none can be made paupers by it- a more than questionable argument- it may be rejoined:-

"If all take advantage of the boon, all by whatever name they may be called, will become habitually dependent on the State; and a large part of the population seduced by their newly acquired

right to receive outdoor relief, will become active paupers, and then the State, in self-defence, will have to re-assert the principle of the Poor Law Commissioners and to make good at great pain, mischief and expense to the community the evils which the pension scheme will have brought into existence." (8)

In the mind of this exponent of "thorough" there was no difficulty in setting things right. All that had to be done was to reduce outdoor relief to the narrowest possible limit. Where this was done (there were several unions which were ideal in this respect) the number of cases that came on the rates was very small - a rather obvious example of cause and effect, but to Loch a splendid illustration of how things ought to be done.

There was a grim comment on this doctrine in the year that saw the publication of Loch's book. A woman investigator writing in the Nineteenth Century after dealing with the cheery comfortable homes where the aged were maintained in Denmark and Austria at a cost of thirteen shillings and sixpence a week, less than the costs per head of English workhouses, went on to tell of an experience with an indoor pauper woman, who in discussing a case of suicide remarked:

"I had to choose between the workhouse and starvation and I choose badly". Neither Loch nor any of the school of thought which he represented seems to have had the faintest perception of the horror and sufferings of the respectable poor when the doors of the workhouse opened before them, nor of the mental agonies they endured while in the toils of indoor pauperism until their finer feelings were blunted and hardened to ease their pain. (9)

It was a much more liberal -minded and humanitarian critic at all times sympathetic to the principle of State aid who drew his metaphors from the national propensity for gambling in a batrage of criticism. Lionel Holland wrote: (10)

"The scheme of the informal Parliamentary Committee would enrol the State among the fraternity of ready-money bookmakers laying £ 65 to £ 22-10/ against a man of 25 living to 70 which is a shade above the just odds; while the individual purchaser, the annuitant, bets £ 22-10 to £ 13 that he reaches the age of 66 and takes even money about being alive at 67. In both these instances he gets the worst of the price. It is ,besides, an essential feature of this system that the funds to enable the State to gamble with the younger members are to be provided by the older and middle-aged section of the community." From this criticism Holland proceeded, not only to outline a plan of his own but to lay down principles that ought to guide framers of an adequate Old Age Pensions Bill. The measure ought to be simple in its conception and application. "It must operate as an incentive and reward to thrift and industry, directly, as an encouragement to individual exertion and indirectly strengthening the hands of existing thrift organizations. It must not cause disturbance in the rate at which labor is remunerated. The benefits of the measure should not be problematic nor confined to the small section of the Community, who are alone likely to avail themselves of an insurance scheme however generous its facilities other than compulsory or gratuitous, its services should be within the reach of the very poor. The law ought to be productive of some relief without delay; it should promote the immediate well -being of

some commendable individuals. It should insist upon insurance being made against sickness by the future ^{recipient} ~~recipient~~ of the pension, during the years preceding the pension becoming payable. Lastly and most obvious requirement of all, the initial expenditure must not be so great as to debar consideration of the scheme or render it impracticable under existing conditions and notions of society."

Applying his principles, Holland called for pensions of five shillings a week for men of 60 to 65 who were not then in employment at regular wages provided they were members of a benefit society and had never been in receipt of Poor Law relief. Estimating the cost, he examined Friendly Society and Trade Union Statistics of membership. Of the four million total members in these two types of organization, he found 200,000 were over 60; 89,000 over 65. Calculations on these figures yielded estimates of £ 2,600,000 required to pension those above 60 and £ 1,160,000 for ^{those} above 70 years of age. As it was not conceivable that all above these ages would have to cease work, expenditures might thus be reduced to £ 1,820,000 and £ 926,300 respectively. No law could be effective if against the general sense of justice which in England, Holland maintained, was set against clothing Old Age in pauper garb. The Charity Organization Society, denounced pensions, he said with obvious reference to the diatribes of Loch Leeh which we have already noticed, but it made a practice of distributing pensions. Was it possible, he asked, that the independence of the poor was sapped only when State aided pensions were in prospect and not by privately provided pensions? To make the State pensions contingent on membership of benefit societies took away the shame of pauperism and promoted thrift; while at the same time it avoided endowing

the rich with superfluous cab fares.

A further difficulty arose from Chamberlain's very success in stimulating public interest in the matter. When his two schemes were issued for the consideration of the country, they found a host of rivals competing for public attention and favor. Not even among the members who had formed the Voluntary Committee the early findings of which he had made the groundwork of his design, did he meet with unqualified endorsement. One of these members was George Holloway M.P. for Gloucester who had first come into prominence in 1880 when he won a prize offered by Right Hon. W.E. Forster in a national competition for practical suggestions towards superannuation through the media of existing friendly societies. *One of the judges of this competition was Thomas Hughes* Mr. Holloway's prize was won by a description of the Stroud Society which he had established in 1875 in the Buckinghamshire village of that name, on the basic principle that every member should enjoy in his own right every shilling that his contribution enabled the society to earn for him. For subscriptions beginning at a penny a day from members between 15 and 30, with an additional halfpenny a month for each year of age above 30 to cover the greater liability to sickness after that age, the subscriber was insured for ten shillings a week during sickness in addition to participation in Old Age annuities or death benefits. The annuity fund was built up very simply. At the end of every financial year, all surplus funds after meeting management costs and sick payments were evenly divided and credited to the personal annuity fund of each member and placed in the savings bank department of the society. The leading

principles of the scheme were (1) one simple contribution to provide for sickness, Old Age and death (2) each member's contribution in exact proportion to his age and liability to fall upon the Sick Fund, so that all members irrespective of age might be on an equal footing at the annual division of the surplus (3) equal division (but not distribution) of the annual surplus to become a self-acting annuity fund for every member, all tending to (4) that the Society had no liabilities beyond its actual assets, provided judicious investment in sound securities, - in 5% mortgages. So strongly was Mr. Holloway convinced of the efficacy of the Stroud system that he withdrew from the Voluntary Committee of 1891, which he had joined in the hope of having it applied on a national scheme, when it was resolved to exclude from consideration any scheme connected with a weekly allowance during sickness. Opposing alike Mr. Chamberlain's contributory pensions or Mr. Booth's universal ones, Mr. Holloway wished to erect the Stroud edifice on the basis of the old Friendly Societies, so many of which were at this time actuarially insolvent - into societies on the Stroud model. He advocated making a valuation of each member's share of the funds of the lodges to be amalgamated, carrying that to the account of the individual when he was transferred to the new Stroud society and continuing his periodical payments on the Stroud scale, calculated in accordance with its procedure, with respect to his age and presumed liability to illness. . Holloway found an impressive vindication of this system in the figures he quoted for Poor Relief in the Stroud Union :

	Indoor Relief	Outdoor Relief	Total
1881	£2,399	£ 7,077	£ 9,476
1891	£1,857	£ 5,768	£ 7,525

During this period, 3000 members were added to the

two societies - Holloway soon had an imitator in the mid-Gloucester Division, making six thousand members in all out of total of 10,000 names on the voting roll.

Despite its manifest advantages, the Stroud system never took deep root. The idea was invariably tied up with politics and never was given a fair trial under non-partisan auspices. Holloway's club was a Conservative affair, and the other was on the Liberal side. In both, the workman's thrift was tied up with his politics with the real danger of losing the full fruits of this thrift if he changed his political affiliations.

Since the very fact of having advanced a scheme of any kind of pensions presupposed a considerable degree of study of the question, it was natural that practically every architect of a plan assumed the role of critic in dealing with all others. The outstanding criticism of all schemes of contributory pensions was ^{that} ~~that~~ while they might afford facilities for the thrifty and thriving they did nothing for the two classes most in need of attention and reclamation (1) the improvident and worthless (2) those whose wages were below the subsistence level precluding all hope of raising the smallest of insurance premiums. "When you see the minimum expenses of a laborer's family" wrote Rev. J. Frome Wilkinson, "and learn that his average weekly wages is lower than the minimum of decency and comfort by 5/6, he would be a bold man who would call for the smallest increase in the amount of outgoings of the agricultural laborer. What system, however ingeniously devised, of State aided insurance for Old Age is of use to the 90% of the actual producers of wealth who as Frederic Harrison says "have no home that they can call their own beyond the end of the week, have no bit of

soil or so much as a room that belongs to them, have nothing of value except as much furniture as will go in a cart, have the precarious chance of weekly wages which barely suffice to keep them in health, are housed in a large part in places that no man thinks fit for his horse".

It was this type of argument which brought forward the boldest and most comprehensive programme for Old Age Pensions in the history of the movement: nothing less than a weekly pension for every man and woman over 65 in England and Wales. Directness and simplicity were the outstanding characteristics of the pension system which Charles Booth, philanthropist and capitalist of London (11) urged upon his fellow-countrymen. Involving no subsidies to organizations no expensive booklets of receipts and disbursements, no or very few inquiries as to age, none as to income making no distinction between rich and poor, insured and uninsured, the universal pension scheme was first outlined by Booth in a paper which he read at a meeting of the Royal Statistical Society on December 15, 1891 and which was given publicity by the newspapers on the following day (12). While Dr. Hunter had proposed to use his native Scotland as the ~~first~~ laboratory for his experimental scheme of pensions, Booth bigger in his ideas in every way, contemplated trying his out on the larger scale of England and Wales. He estimated that to pension every individual in kingdom and principality over the age of 65 would require seventeen million pounds a year—a vast sum which he thought could be raised

by new taxation.

Speaking from his unrivalled knowledge of the poor, especially in the metropolis, Booth maintained that no system of contributions, voluntary or compulsory would meet the case and that the scheme must be free from the taint of the Poor Law. There could not possibly be any suggestion of pauperism in a pension that was drawn by rich and poor alike. "The conditions of our civilization", he declared, "are very hard upon the old and are growing harder every day. The old man in the struggle for existence is thrust to the wall by the young and strong. He finds himself supplanted, with diminished powers and diminished resources and in this way not only can do less work, but often finds he can get no work to do".

Although Booth was slow to recognize it, the huge cost of the scheme, short as it fell by nearly a hundred percent of the annual cost of Old Age Pensions in 1930 (13) hopelessly ruined any chance of its acceptance by a democracy with the outlook of the British in the last decade of the Nineteenth Century. Events were to prove the wisdom of those who took a lesson from the story of national education in Britain and pressed for a modest beginning where state pensions were concerned. Booth who gifts as a propagandist were little short of those of Blackley prosecuted his ideas in a vigorous campaign which kept the interest in the question at fever heat until it forced itself upon the attention of a government which would greatly have preferred to relegate it to a pigeon-hole in an office in Whitehall. Blackley condemned it root and branch on five principal

grounds (a) Its enormous cost (We must remember that Blackley had urged on behalf of his own system that it would not cost a penny of Treasury money) (b) it would tend to deterioration of character as in spite of Booth's assertions to the contrary and his "costly gentility" it would simply be an extension of pauperism (c) it was in direct opposition to all true Poor Law Reform (d) it would have an obstructive effect not only upon self-help but on the progress of sounder measures (e) its absolute disregard of the first principles of economics. Booth had ~~said~~ said, "He who has, wants more". "True", retorted Blackley, "but he will want ~~it~~ it in the same way as he got the pension- from other pockets".

Still unwavering in his conviction of the practicability and justice of his own scheme, Blackley brought out a novel variation from it in a paper which he read to the Church Assembly in London on November, 1891. Church or parish councils were to contribute one and sixpence a week and the State was to give two and sixpence per week towards pensions for respectable old persons "as a mark of honor and respect from the neighbours among ^{whom} ~~th~~ whom they had lived and who testified and continued to testify to their personal and moral worth. [^] ~~Responsibility~~ Responsibility for the selection of worthy pensioners was to be assumed by a voluntary local council and the pensions were to be divorced entirely from the Poor Law. This new idea never attained the publicity accorded to Blackley's original proposals, and it was short-lived, the decisive rejection of it by the Royal Commission on the Aged Poor two years later

putting it entirely out of serious consideration.

Hitherto the fight had been waged almost entirely by benevolent minded members of the more prosperous classes. But the agitation extended to the people who were to be primarily affected, the workers themselves. These like the other classes were divided on the principle and among those in favor, on the merits of the various schemes.

The Agricultural Laborers' Conference held towards the end of 1891 demanded Old Age Pensions, along with laborers' unions and other demands. In March 1892, the Executive of the London Dockers' Union passed this resolution:

"That this Executive Committee of the Dockers' Union hereby declares its opinion that any section of pension fund not being directly controllable by payees should not be countenanced in any way. We are of opinion also that it is an insidious snare and attempt to perpetrate an unjust taxation upon wages; also a means of retaining a large portion of the worker's earnings for the employers' own benefit, while the possible good of such a system is so remote, the longevity of the toilers so low in average and industrial mortality so high through insufficient wages and unhealthy environment that we consider it opposed to economic fairness and a curtailment of remuneration, relieving capital and property at their expense".

Needless to say this and similar declarations regarded as having unusual force in view of their origin among the proposed beneficiaries were eagerly seized upon by opponents of any form of state aid.

As illustrating the reluctance to depart from local government measures, so strong among a section of advocates of this reform, the ideas chiefly associated with Thomas Fatkin, Manager and Secretary of the Leeds Permanent Benefit Building Society are worthy of some attention. With a roseate vision of converting the municipal debt-present in every city and town- from a burden into an asset Fatkin proposed that every person living under the age of 65 in the municipality should be at liberty to contribute towards the civic debt fund, ^tconstituted into an annuity fund, payments, weekly monthly or annually as best suited him instalments in purchase of an annuity, payments to continue until the age of 65 and contributions to bear interest at 3% to be added half- yearly. The ~~maximum~~ sum to be put in the fund was never to exceed ~~428 pounds~~ 468 pounds sterling by the time the subscriber had reached the age of 65. Annuities were to range from five shillings a week, the minimum for the annuitant whose deposits and interest totalled 175 pounds at 65, to the maximum of a pound a week for those who had subscribed the highest amount permitted under the scheme. Fatkin's long experience which had acquainted him with the manifold risks and misadventures of the worker's life was reflected in the provisions he urged of power of withdrawal at any period of life and of bequeathal. His plan was accompanied by various actuarial tables showing that a subscription of one shilling a week or one pound six shillings each half year for 44 years would at 2% compounded half- yearly amount to 182 pounds one shilling or at 3% half- yearly

to 234 pounds 12 shillings. These tables show the gradual growth of the capital fund year by year and also the surrender value and the annual value of the annuity for every half year after 65. (14)

Varying somewhat from Fatkin's plan but like it based on the belief in working men's reluctance to part with total control of their savings, was the plan advanced by Louis Tyler, Chairman of the Finance Committee of the Monmouth and South Wales Miners' Permanent Provident Society, for a combination of banking and insurance directed to provision for Old Age. The subscriber's insurance premiums were to remain his own property, with right of withdrawal in whole but not in part, once a year but not oftener, so as to give him command over the opportunities of life. At the age of 65, however, what money remained to his credit could be used in three different ways (1) he might purchase a pension with it (2) he might have the money plus interest all returned to him or (3) he could leave his deposits in the form of capital drawing out only the interest. To induce him to continue in thrift until the age of 65, Tylor proposed that the State should at that age augment the amount of the subscriber's interest in the Old Age fund by a subsidy of 50% with the condition that the corpus of this augmentation was not to be at the disposal of the recipient unless by testamentary disposition, but had to remain at interest or be applied to the purchase of a pension. In case of permanent sickness before attaining the age of 65, the subscriber was to be entitled, if he had contributed for five years to receive the same subsidy from

the State as he would have received if he had not failed in his contributions and at 65 would be entitled to the ordinary Old Age pension. Premiums were to be graduated according to the age of the subscriber on joining, on the principle that they should be such as would with interest be the actuarial value of 60 pounds at 65 years of age- three-pence a week for the man who joined at 18, sixpence a week for an applicant at 35. Thus the man who joined at 35 would have paid in 39 pounds by the time he was 65. This would entitle him to 60 pounds at his free disposal, plus the State subsidy of 30 pounds which ^{he} ~~it~~ would have to transmute into a three pounds annuity ^{or} ~~of~~ leave ^{it} in the fund taking out only the interest. Tylor believed that insurance savings could be managed, apart and separate from their other business by sound Friendly Societies approved by the Chief Registrar. (15)

On the same general idea as that described by George Holloway in the Stroud Society, Fletcher Moulton a well known barrister grafted a fresh proposal. Starting from the belief that the more prominent schemes, while aiming at the sound object of endowing the poor with an income which should be beyond the reach of misfortune, erred by postponing the accrual of this endowment to too advanced an age to meet the requirements of the working classes, Mr. Moulton suggested the institution of a system by which a man could obtain an income of five shillings a week or less at any period of life as soon as he had given the State the sum necessary to provide it and that this capital

sum should from then on be made inalienable by law for the remainder of the insurer's life on condition that it be irrevocably devoted to its special purpose. It was not to be restricted to any special amount, only it had not to exceed what was necessary to save him from the reach of misfortune and, like workmen's tools and soldiers' pensions it was not to be attachable or liable in any way to a creditor for ~~debt~~, but was to continue the contributor's own property disposable by his will. Moulton further suggested that the same principle might be extended from a money investment such as he had described to an investment in a dwelling house after the manner of the homestead laws of Canada and other newer countries. There were advantages, he urged in multiplying contrivances for realizing Pitt's great principle that no calamity should be suffered to deprive a British citizen of his last shilling. (16)

Pleading for the transfer of the care of the aged from the Poor Law to popularly elected District Councils, with authority to grant pensions of five shillings a week to all deserving persons in their declining years, the Rev. J. Frome Wilkinson took the ground that State endowment of Old Age logically called for universal application in the country or at least that the pensions should be open to all who cared to take advantage of them. Wilkinson was one of the first to point out a serious obstacle to the adoption of any contributory ~~scheme~~ scheme in the resultant accumulation, over a course of years, of a vast fund which would be a standing temptation to govern-

ment to lay hands upon it in a time of need as the French Government did in the reign of Napoleon the Third. Wilkinson also differed from other advocates of pensions in that he wished to follow the definition of Old Age in the Friendly Societies Act of 1875 and to make 50 as the earliest age at which the pension might begin.

Where was the money to come from? Out of the Imperial Exchequer, to be replenished by a graduation income tax under which the rich could fulfil their social duties much more effectively than under the existing Poor Law, by death duties, and the utilization for Old Age relief of certain public charities. The Friendly Societies stood to gain, he reasoned from such a law, but whether or not, their interests, although large and entitled to the fullest consideration must take second place to those of the community which had to be paramount at all time. As to the cost, Wilkinson had no estimate. It was the duty of the State to relieve the aged poor irrespective of cost. (17)

With such a flood of contradictory counsel sweeping in upon it, what could a timid and unenthusiastic government which was far from coveting the distinction of granting pensions, free or otherwise to the millions who might qualify do but resort to the stock expedient of administrations that knew not what to do or knowing feared to act? The appointment of a Royal Commission made for a temporary surcease of the troublesome question that demanded an answer.

CHAPTER FOUR

- (1) Contemporary Review, (London, 1892) P 388
- (2) J. Lester Stead in article National Review (London) vol 25, P 59
- (3) Unity (Friendly Society Paper, London) January 1892
- (4) National Review vol 22, 1892, P 26
- (5) Ibid P 721
- (6) Spectator (London 1891) December 19, 1891
- (7) Quarterly Review (London 1892) Page 519
- (8) C.S. Loch: Old Age Pensions and Pauperism (London 1892) P32
- (9) Nineteenth Century (London) September 1902
- (10) National Review March 6, 1892
- (11) Times December 16, 1892
- (12) Ibid
- (13) £ 35,000,000
- (14) Leeds Mercury December 1892
- (15) Fortnightly Review vol 57 P 465
- (16) Ibid
- (17) Contemporary Review vol 61 P554

CHAPTER FIVE

The Report of the Royal Commission on the Aged Poor is a focal point in the story of State Pensions. Negative and colorless as were its conclusions, it nevertheless rendered yeoman service by marking pitfalls to be avoided by future legislators dealing with the subject and by squelching effectually the host of half-baked schemes that had arisen to plague the really constructive advocates of the reform. An immense amount of evidence was submitted from authoritative quarters that spelled the doom of annuities as a means of preventing pauperism in age, and ruled out benefit societies, trade union, superannuation as being anything other than partial palliatives.

The Commission which it is interesting to note was signed by the Herbert Henry Asquith, - who in this non-committal^t fashion was thus introduced to the project that a Government of which he was the head was to put on the Statute Book - contained in addition to the Chairman, Lord Aberdare and the Prince of Wales (Edward the Seventh) who was here permitted by his royal mother to have one of his few incursions into statescraft, seventeen others - members of both Houses, Treasury Experts, representatives of Friendly Societies and organized charity and, Joseph Arch, in the interests of agricultural labor. Around the Committee table sat members of the Voluntary Committee - Joseph Chamberlain, Sir Herbert Maxwell, Dr. W. A. Hunter - who with Charles Booth, another member of the Commission were adherents of State pensions in one form or another. Beside them were representatives of opposing vested interests, J. J. Stockall and C. S. Loch, Friendly Society

and Charity Organization Society spokesmen: J.J. Henley, Albert Pell, C.S. Roundell intolerant of State aid for the aged in any form other than from the Poor Law. Lord Playfair was the Chairman of a great insurance company. Lord Brassey had made a huge fortune in railway contracts in Canada where individualism had become a gospel. The Rt. Hon C. T. Ritchie whose famous return of paupers was so extensively quoted on both sides of the argument, Lord Lingen, A.C. Humphreys, Owen, and James Stuart M.P. all opposed and Henry Broadhurst M.P in favor of some modification of the Poor Law with regard to the aged completed the personnel of the Commission.

In such a welter of conflicting interests there could be no common ground and almost the only unanimity manifested in the report was in a resolution of tribute to the memory of the Chairman who died on February 25, the day before the final draft was ready for his signature. Even this posthumous eulogy was not without a reflection of the diversity of interests, for it spoke of the fairness and urbanity of Lord Aberdare and of his earnest efforts to concilliate the different opinions necessarily represented in a large Commission.

The Report issued in March 1895 was signed by Lord Playfair, acting Chairman, The Commission, appointed "to consider whether any alterations in the system of Poor Relief are desirable in the case of persons whose destitution is occasioned by incapacity for work resulting from old age or whether assistance could be otherwise afforded in these cases," occupied eleven months in preparing a report upon evidence taken during the first fourteen months of its sittings. So far as quantity and variety were concerned the results were impressive enough; fifteen reports

or explanatory addenda from a committee reduced to eighteen members by Lord Aberdare's death and as an extra, a memorandum from the Prince of Wales explaining that the question of Old Age Pensions having become one of party controversy, he could not consistently with his position of political neutrality sign the Report with which he was in general agreement. The Majority Report, besides the signature of the new chairman had appended to it the names of the other two peers, Lords Lingen and Brassey; all the Friendly Society and organized charity representatives, Albert Pell, A.C. Humphreys- Owen, C.S. Loch, J.J. Stockall, J.J. Henley; C.S. Roundell and Joseph Arch. Following this Majority Report comes an Explanatory Memorandum by Lord Playfair. Lord Lingen next added a Memorandum to explain his numerous objections to the Report, and he was followed by Lord Brassey and Messrs Stuart (who did not sign the Report) Humphreys- Owen and Joseph Arch, who in terse language complained that the Recommendations of the Commission did not go far enough and that the investigations and work of the Commission had been too restricted. Separate Memoranda came from Henley, Pell, Roundell, Stockall and Loch emphasizing their objections to state aid. The Minority Report bore the signatures of Chamberlain, Ritchie, Maxwell, Hunter and Booth. A memorandum by Ritchie favoring, and one from Booth opposing, the extension of outdoor relief came next and Stuart produced a second paper bearing his recommendations this time in support of the extension of outdoor relief. A lengthy vigorous and humanitarian report contained Broadhurst's plea for drastic changes and reform, while Booth enclosed some final facts and figures in a supplementary memorandum.

The adverse verdict of the Majority Report was couched

in the following terms:

"We have carefully examined the various schemes for State assistance to the aged which have been submitted to us, and bearing in mind the great labor and thought expended on them and the high public spirit and deep sympathy with suffering which inspired their authors, we regret that in view of the financial and economic difficulties involved, we have been unable to recommend the adoption of any of the schemes as yet suggested, whether for endowment or for assisted insurance. Having regard, however, to the widespread expectation in and out of Parliament that some provision other than that made by the Poor Law should be devised for the assistance in old age of those among the poor who have led respectable and industrious lives, we do not desire that our inquiry should preclude the future consideration of any plan which may hereafter be proposed and be free from the objections which have prevented the adoption of the schemes submitted to us"(1)

From this latter recommendation, Messrs. Loch and Stockall dissented. It is not difficult to discover where Stockall's chief interest lay. His memorandum declares:

" Having signed the Report, with which on the whole I cordially agree, I think it well to express my opinion that danger may arise to a portion of the class who now make provision in some measure for Old Age for themselves in the various friendly and other thrift societies, should they be induced to depend upon relief from the rates or a pension from the State as a part of their subsistence in Old Age and to look for it as a right rather than depend upon a provision made entirely by themselves. Such provision, as evidence brought before us clearly proves, is increasingly being made by the laboring

classes. I fear and believe is possible, a worse evil may be created than any now supposed to be existing under the administration of the present Poor Law, if rate of State aid should come to be received with complacency by any material proportion of those who now provide for themselves. In my opinion, the granting of such aid would lead to entire dependence upon the State of a great number of those who now without the hope of such assistance are nerved to make provision for themselves by which process, self-respect is gained and character given to the nation.

"I entirely concur in all our recommendations which favor a different treatment to persons of good character as distinguished from that apportioned to the wastrel and drunkard. While holding that the former class are entitled to such consideration as would make their lives as happy as possible, I am not prepared to endorse the view that these deserving poor should be encouraged to look upon parochial or State provision with satisfaction or as a desirable source of provision for Old Age".

In Loch's lengthy supplementary memorandum- he was always given to prolixity of detail- he endeavored to prove the desirability and possibility of leaving provision for Old Age entirely to the person concerned. Like all other supporters of the principle of leaving the indigent aged to the care of the Poor Law (and the organized charities) he based his whole case on the ability of the workers to save- stress was laid upon the sums wasted by the working classes in intoxicating drinks- and he quite gratuitously assumed unbroken remunerative employment to be the normal course of the worker's life and took no cognisance whatever of the vast numbers who were precluded by industrial unemployment or bodily weakness from keeping up any regular payment of any kind of insurance premium.

With the reduction of prices in the country, he argued, with higher wages and with the aid of allotments, all in their favor, the working classes were then better able to provide for their old age than during the previous twenty-five years. Pauperism, he found, was decreasing. Omitting lunatics, and vagrants, and all children over 16, the ratio had fallen from 44.8 per thousand in 1862- the total then being 561,960 to 41.7 in 1872 and then to 24.6 in 1892 when the number was 450,572. This decline he maintained was likely to be progressive.

The Friendly Societies had not been given a fair trial. They had however, in his opinion so far succeeded that whether the provision made through them was actuarially sound or not, very few of their members received Poor Law Relief. (We shall presently see how accurate he was on this point.) In the succeeding 20 years, so great had been its increase, he envisaged one society the Foresters providing for 50% more old people. In the face of all this progress, it did not seem either necessary or desirable that the State should abandon the policy, hitherto so successful, of guidance and encouragement to the societies and adopt that of subsidy or grant. Establishment of the Government Savings Banks had cost the country money. Why put the National Treasury to further loss by creating new machinery for the provision of annuities instead of leaving it to the Societies which as their financial position had improved had been more and more ambitious to accomplish the task of establishing a sound system of assurance for old age as well as sickness. (2)

While the Commission was unable to make up its mind in respect of liking any programme for Old Age provision brought before it, there was no lack of definiteness in the case of the methods it rejected. Government annuities were ruled out once

and for all. The evidence of their inadequacy and unpopularity was unimpeachable.

Miss Octavia Hill of the Kyrle Society, speaking of working men and their attitude to annuities said:

"They feel that if they invest the money in other forms, it brings in a happier and better return. They prefer educating their children well and getting them into better positions; or buying a small business, or having a little house, or getting a quantity of furniture, or something which they have or have to leave and to give and to use.

"There is a sense of uncertainty, whether they live or die they do not know that they will ever get anything by purchasing an annuity. It does not take their imagination, so far as I know, I never knew anyone who bought a deferred annuity." (3).

Similar views were put forward with greater effect by Thomas Fatkin, Manager and Actuary of the Leeds Permanent Benefit Building Society. From a long experience of working men's clubs and thrift movements in the North of England, he came to the conclusion that middle-aged working men preferred to exercise a personal control over their savings and to be able to draw out and use small sums as occasion might require. "But when a man arrives at 65 years of age," he said, "he will suffer any amount of deprivation before he will consent to reduce his little stock of money. He has no hopes of replacing it like the younger man. I know that it has been urged that a man has no use for his money after death; but a working man who has accumulated a little capital has as much pride in making a will and leaving a little money to his descendants, as the owner of broad acres of land and the millionaire have in leaving their wealth to their representative." (4)

Most crushing of all was the admission of G.C.T.B. Bartley, whose manful efforts to popularize annuities have already been noted. Bartley's evidence as recorded in the minutes was as follows:

"Theoretically, and I must acknowledge that I still think so in every way, it (the system of annuities) meets an immense want; theoretically it is as perfect as can be but practically it is impossible and when I say that although I have got 100,000 or nearly that, depositors in my penny bank, and although I have lectured hundreds of times on this subject, I am not aware that I have ever induced one person to buy a deferred annuity. Practically speaking, nobody will take advantage of it. The reason I suppose at the bottom of it is that when people are young, old age seems indefinitely far off, and when they get old enough to think of providing for old age and buying a deferred annuity and look to the tables, the tables, if they are actuarially correct are so unattractive that they will not go in for them even when supplemented by private endowment and possible contribution from the State... I was quite the other way of thinking when I began this work and my great effort was to induce people to go in for deferred annuities, but I can only speak from practice." The benefits were too remote, he stated in another portion of his evidence. It was only when an annuity was an integral part of some wide-spread benefit that it was used to any extent. As we shall see later, Bartley had not lost faith in the thrift of the worker and he still clung to the view that the Poor Law was a leading deterrent to the worker's exercise of foresight in planning for his years of decreased earnings.

Severe criticism of the introduction of tables of returnable annuities- which at one time had been regarded as the most

attractive feature of the Government's offers- came from a quarter that inevitably commanded respect. Canon Blackley in one of his appearances before the Committee said these features had been productive of harm as leading to the mistaken notion that two benefits might be obtained at the cost of one. He quoted a letter he had received from a working man of eminence in Friendly Society circles who said the only way in which his fellow-workers expected any good from these benefits was that they should be able to obtain a returnable pension at non-returnable rates and that the insurer's pension premium should also cover the cost of a pension to the widow and orphans. Confirmation of the existence of this opinion among workers is also to be found in the evidence of E.W. Brabrooke, Registrar of Friendly Societies. Brabrooke, however defended these tables on the ground that they were an inducement to purchasers. (5)

Judging from the Report, the Commissioners seem hardly ^{endorsed} to have the reasoning of the eminent Civil Servant. At all events the Report expressed the opinion that neglect of annuities pointed less to the need of artificial inducement to their purchase than to a general feeling that they were not a desirable form of investment. The failure, for such the Commission frankly recognized it to be, was due, in its opinion to the following causes: (a) a too high scale of charges. (b) general unwillingness to purchase annuities- a trait not peculiar to the English nation. (c) a real or imagined danger that the affairs of depositors especially in rural districts, became known to neighbours. (d) the absence of sufficient publication of the advantages of annuities and (e) the indisposition of people to make payments unless at their own door. A minor

disadvantage cited was the small print in which the rules were displayed. The Commission's verdict on annuities was decisive. Henceforth no one could advocate this as a cure for pauperism without leaving himself open to the charge of total ignorance of the subject.

Less emphatic were the Commission's comments on Friendly Societies. Notice was taken of the strictures of Canon Blackley and Ralph Price Hardy on the unsatisfactory tables of most societies (Blackley arraigned all of them) as showing considerable deficiency in their valuations. (6) Blackley, indeed urged that a society to be really on a proper footing should be able not merely to maintain its position by the help of young members but should "be sound and keep sound without the entry of one younger man." He blamed the competition of unscrupulously managed societies making impossible promises, for the parlous condition of them all, and urged legal approval of the tables of a new society as a prerequisite to the grant of a charter. The Commission however had a word of commendation for the societies. The Report stressed the fact that they were founded at a time of "statistical darkness" and foreseeing continued prosperity with greatly extended actuarial experience, improved financial position expressed the pious hope that, with the coming of higher wages and lower prices, the means of making provision for Old Age had greatly increased in spite of all other drawbacks. Here the Commission became more cautious, Comparatively few, it said, had taken advantage of the means of provision for Old Age "placed at their disposal by the large federated societies, but if there is a genuine demand the Friendly Societies would on the grounds we have stated, be institutions well fitted to meet it."

As to the extent to which the workers resorted to the Friendly Society branches or lodges, the evidence revealed a sharp divergence of opinion. Practically all Friendly Society Witnesses took the roseate view which Loch had espoused of the relations between these organizations and the workers.

According to T. Ballin^gstead of the Ancient Order of Foresters the agricultural laborers joined the societies freely and Reuben Watson, while admitting that in some of the most poorly paid districts the rural workers found difficulty in raising the comparatively small dues, stressed the attractiveness of the societies to the workers. Hardy, however, although his professional duties brought him into close contact with the societies, appears at all times to have taken a much more detached view which enabled him to look beyond ^{the} ~~the~~ narrow interest of the professional society officer ^{to} ~~to~~ the welfare of the nation at large. (7)

His evidence went to show ^{that} ~~that~~ all the societies good, bad and indifferent did not touch more than a third or fourth of the workers and failed entirely ^{to} ~~to~~ commend themselves to that mass of what he described as "pure labor" for whom it was most desirable that old age provision should be propounded- the dockers for example- and their impact on the agricultural laborer in his opinion was very slight. Nothing the societies could do even if their finances permitted it (significant phrase) ^{to} ~~would~~ affect the bulk of the population, who most needed help. Most damaging to all schemes of contributory insurance was Hardy's picture of the impossibility of this great mass, subsisting on casual employment, working for a fortnight and then idle for a week, reaching a position in which it could pay premiums with

regularity. As ^{to} in the mass of existing Friendly Societies, he asserted that the provision they professed to offer was wholly delusive "it must and will break down" and it will leave those persons who have been hitherto so confidently relying upon that provision stranded in their old age. Here was a serious challenge to the pretensions of the Friendly Societies and from a quarter that could not be ignored. Hardy was eminent in his profession of actuary, he had along experience in business and in all questions relating to superannuation funds and pensions, while his expert and comprehensive knowledge in matters relating to Friendly Societies was surpassed by no man's who appeared before the Commission.

A Parliamentary return which had been published in 1891, and had been bandied about a good deal by antagonists on both sides of the pensions fence, was, not surprisingly, adduced ^{as} evidence and written into the Report. (8). This Paper detailed the number of paupers in workhouses on March 31, 1891 and by no stretch of the imagination could it be described as a palatable document to those who wished the Friendly Societies to be entrusted with the task of saving the aged from the Poor Law. The total number of indoor paupers who had ceased to be members of benefit societies was 14,808, classified as follows:

By reason of non-payment of contributions, or of withdrawal or dismissal	10,215
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Through the breaking up of a society	4,593
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Of this last number-

1,583	had been members for less than 10 years
1,216	" " " " more than 10 and less than 20 Years
955	" " " " " 20 " " " 30 "
814	" " " " a period 30 and upwards
25	" " " " a period not known

During the same period, the Order of Foresters were losing 25,000 members- 3% of the total- although this loss was more than counterbalanced by new admissions.

These proportions were reproduced in smaller societies. Rev. Robert Hart, Honorary Secretary of the Dunmow Friendly Society of 1000 members - all agricultural laborers- which provided sick benefits and old age pensions testified that more than half the members had seceded to societies which offered greater immediate benefits-such as high sick pay-and no provision of any kind for old age. The Dunmow Society had been fifty years in existence and having from its inception made provision for Old Age, it had been necessary to accumulate large reserves to meet coming obligations, notwithstanding its prospective advantages and the unusually favorable position it occupied through enjoying more than ordinarily fortunate investments and a cost of management so low as to be almost negligible. Hart declared that many of those who left gave as their reason the fact that the surplus was being accumulated to meet future demands rather than divided among the members. (9)

But the final test of the ability of the Friendly Societies to measure up to the demands facing the people in the battle against aged pauperism was the extent to which they were able to persuade their own members, already converted to the idea of insuring against the contingencies of life, to extend their thrift efforts towards making provision through insurance for their old age. Here again the evidence was conclusive. Before the Commission was mooted, Reuben Watson had publicly acknowledged comparative failure all along this line of society endeavor.

"Since the establishment of the Manchester Unity," he declared, "none of its functions have been more expounded or advocated with greater universality and earnestness than the necessity for superannuation allowances after 65. Notwithstanding the powerful advocacy and the ingenious plans propounded, the members had not yet proved amenable to the honest persuasive-ness of the supporters of superannuation" ~~(9)~~ (10)

Watson was less emphatic and more optimistic when some three years later, he was examined by the Commission, but the figures he produced could not be glossed over. With a membership exceeding 700,000 and a yearly increase averaging 16,000, ~~only 530 persons~~ the Manchester Unity had only 530 persons on its books as taking out superannuation policies from 1882 when the Order introduced the idea until June 1893 (11)

Fatkin whose evidence we have already noted was a good Friendly Society man who made no secret of his belief in the capacity of these organizations to go one better than any scheme the State could float, nevertheless expressed doubt if 5% of the working men who joined a society could be induced to take out their superannuation policies. In support of this assertion, he cited the experience of his own society, the Leeds Permanent Building Benefit Society. This society, with a membership of 15,000 and assets of £1,500,000 submitted a scheme whereby a member or depositor could buy an annuity which would continue in force for any number of years up to 40 with power to bequeath or withdraw the balance due with interest at 3% at any time the purchaser thought fit. Several thousand pamphlets and a large sum of money were used in advertising the scheme. These advantages drummed up with such publicity attracted less than ten applicants. Fatkin's

deduction was that since his society had failed , no other benefit organization , nor even the State could hope to succeed in this kind of insurance (12)

If we turn to the experience of the Ancient Order of Foresters , as detailed by the Permanent Secretary, T. Ballin Stead, we find further evidence of failure . Mr. Stead described to the Commission how his society in 1883 had drawn up a scale of superannuation contributions for allowances beginning at 65. Two very important lessons proceeded from this experiment. One was that superannuation policies had no more attraction for the Foresters than for other Friendly Society members. During the nine years of operation of the scale which was inserted in the general laws and made known all over the society, only three members enrolled for superannuation benefits. When the matter was looked into , the society found that it had good reason to congratulate itself on this unmistakable failure, for the table being computed at 4% rate of interest, its finances would have suffered had many policies been underwritten , since interest rates commenced to decline from that time on. New tables, returnable and non- returnable, were drawn up on a 3% interest basis , with arrangements for easy payment . Up to the time, Stead appeared before the Commission, not a single application had been received. The inference from this dismal series of futile superannuation plans was unmistakable. If the existing Poor Laws were insufficient to meet the needs of old age in distress, the existing benefit societies were incapable of showing the way out. This was admitted by Watson, who on being pressed for his own personal opinion declared against compulsion . If the State contemplated undertaking the task, he said, it should be done along the lines

of universal pensions such as Booth had called for.(13)

Looking over the reams of evidence collected by the Commission, one can easily understand how stupendous was the task of sorting out so many competing claims. In addition to the better known schemes , such as those of Blackley, Booth, Chamberlain, Fatking and Wilkinson which we have already noticed, the views of a large number of lesser individuals were considered by the Commission.

later to become a member of Parliament and George Lansbury, a minister of the Crown, but at the time we speak of a humble veneer-cutter working for a weekly wage, gave as his ideal solution, the payment of an adequate pension at 60- no sum stated- but sufficient to keep the pensioner in reasonable comfort. Like a good Trade Unionist, Lansbury wished to prohibit the pensioner from competing further in ^{the} ~~the~~ Labor market by working for a wage and he further proposed that the pensioner be denied the control of his own savings. Having stated his ideal, which he recognized was not immediately applicable, Lansbury informed the Commission that for the time being, he was content ^{to} ~~to~~ support the universal pensions of Charles Booth. How far in the opinion of the Commission this change of allegiance brought him to the realm of practicability we shall presently notice. Somewhat similar was a proposal submitted in writing by J.D. Grout, a working wire-weaver, resident at Shoreditch London. Following a determination to take evidence over as wide a field as possible, Grout was invited to appear before the Commission. The chief distinctions between his ideas and those of Lansbury were that he proposed (a) a differential rate between London and the provinces, aged pensioners in the metropol^es to receive ten shillings a week; those in the rest of the country to receive a lesser sum, (b) the pensioner was to be free to accept what work he might

be capable of, provided the earnings or income from all sources other than the pension should not exceed fourteen shillings a week; (c) supplementary pensions to be granted to purchasers on lines similar to those of Government annuities or Friendly Societies' superannuation (d) all pensions to be limited to working men who had never paid income tax. Grout maintained that pensions given subject to the limitations outlined would not be associated with any certificate of poverty; but the Commission thought otherwise:

"We think" said the Report, "that many workers would regard a pension conditioned as proposed as involving a sacrifice of independence and that, if the suggested test of not having paid income tax were that imposed (and the difficulties of any other test were brought out) many who through misfortune late in life were in most need of assistance, might be disqualified, while on the other hand, large numbers who in no sense could be described as in want, would be receiving assistance at the public cost." Grout's scheme, concluded the Commission would be hardly less costly than that of Booth's.

In the same manner was dismissed the proposal of a very high authority, that of Ralph Price Hardy. Hardy was an admirer of Booth's scheme of universal pensions, which he regarded as the broadest and most statesmanlike of all the Commission considered, and he gave as his only reason for failing to support Booth, the existing state of political enlightenment which made it impossible for any Government to put it into practice. His own proposal was to attain Booth's idea by gradual steps, the initial move to be *by* granting pensions to the proved impecunious aged *or* by supplementing the income of any acquired property up to a reasonable limit.

He defined Old Age as 65 and over, at which ~~per~~^{period} the pensioner should give up work. The weekly pension, he suggested should approximate the cost of maintenance of an aged indoor pauper. Towards the close of his evidence he earnestly impressed on the Commission the wisdom of some kind of settlement of the question on a trustworthy basis:

"I consider it is the great political question of the day. I consider that this dark cloud that hangs over the workman's life (I am speaking of the decent workman, the good citizen and the loyal subject) induces him to listen to these wild and impossible schemes for putting Society to rights. I believe it is one of the main causes of ^{the} ~~the~~ present political unrest; and I think if we can get this question settled we shall none of us feel it in our pocket and I am sure we shall all be happier." (14)

Bartley's Old Age Provident Pensions Bill which was several times presented to Parliament was included in an Appendix to the Report. Its underlying principle was varying rewards for varying degrees of thrift. There were three categories of people over 60 in need of aid representing three classes of pensions:

(1) Those who had never received poor relief - seven shillings a week, the maximum under the bill.

(2) Those who had made partial provision for old age either:

- (a) by purchase of an annuity from the Post Office or other recognized institution, or
- (b) by the lump sum purchase of an annuity before marriage or before the age of 25, or
- (c) by a lump sum payment to the local authority, or
- (d) by other means as approved by the local authority.

All of this second class was to receive a pension of $3/6$ a week together with an addition not exceeding $1/9$, equal to the weekly income derived from the amount accruing to the person through

his previous savings as enumerated.

(3) Those whose special misfortune rendered them deserving of aid though they had not been able to make even partial provision for themselves. These were in cases approved by the local authority to be given pensions of 3/6 a week.

The Bill provided for the payment of the pension in any way the local authority might decide, except that it was not to be given through the Guardians of their officers and its receipt was not to disfranchise the pensioner. The cost, except for the payments of the beneficiaries themselves as described in Class 2 was to be met by the imposition of a special Pension Rate.

"The enormous responsibility as to discrimination which would fall upon the local authority (in this case the County Council) the difficulty of investigating the claims of applicants as to poverty and as to merit or of proving that they had not anywhere received poor law relief ; the need of trained officers for inquiry and even of passports to preclude fraud; the ²abuse~~s~~ that might arise through persons making use of some of the provisions of the scheme to manufacture , it we might use the term, "faggot pensioners" ; the undoubted inducement to those earning good wages to leave provision for their Old Age entirely aside and then come on the pension fund as never having received relief; the check to indirect thrift and especially to the recognition of family ties and duties; and lastly

the enormous cost, which notwithstanding Mr. Bartley's calculations, it must inevitably involve; all these render it inexpedient and unworkable". Such was the verdict.

Since the city is in many respects a microcosm of the state, it was only to be expected that this smaller area, should be regarded as a fitting testing place for theories of relief, before the general application to the nation at large. Something of this reasoning appears in the proposals of two witnesses from Cardiff, Dr. James Henry Paine, Chairman of the Board of Guardians of the Cardiff Union and Francis John Beavan, member of the Cardiff Corporation. Speaking with special reference to their own city, the Cardiff men urged assistance to the aged from the local rates. These plans, the Reports classified as being on the other side of the narrow border line between some schemes of State pensions and some suggestions for fundamental modification of the Poor Law. (14 a)

Dr. Paine wished to divide the poor into two classes—deserving and undeserving. The deserving should be granted pensions from a fund allocated from the Poor Rates, but separated from Poor Law administration. While opposing direct subsidies of the Friendly Societies, he was in favor of supplementing the income of members who were in receipt of superannuation or pension, provided the total income did not exceed ten shillings a week. For the second class, the less deserving he had less consideration. These should be regarded as paupers and treated through the Poor Law. On evidence of thrift in earlier years or upon lack of it was to depend the election of an

applicant to the favored class of aged pensioner, or to the less desirable one of mere pauper. Once safely ensconced in the first group, the pensioner was free from further appearances before boards of inquiry and he enjoyed all the rights of citizenship which were denied to the members of the second group. With few exceptions, Paine thought the cost per individual would not rise above $4/4$, the weekly expenditure on an indoor pauper.

Paine's colleague, Beavan went a little further in discrimination. He had in mind three classes of poor. In the first, he placed those of good character who had become poor in age through misfortune rather ^{than} ~~than~~ indulgence. Five shillings as a minimum pension for ^{them} ~~them~~ and accomodation in almshouses apart and distinct from workhouses and their administration with retention of their rights as citizens and freedom ~~from~~ ^l the odious appellation of paupers- these were to be the nation's recognition of their earlier respectability. The second class was to be made up of individuals who, while falling short of the high standards of the first, yet had given some evidence of respectability and foresight. For them indoor relief was prescribed with improvements in diet and relaxation of discipline as rewards for continued good behavior. The third class- the vicious were easily disposed of. The workhouse was good enough for them. A sub-committee of residents was to be appointed to help the officers in the difficult task of sifting the chaff from the grain.

Neither of the men from Cardiff had gone deeply into the financial aspects of their proposals, Paine estimated £ 5000 as the cost of his scheme for Cardiff. Beavan thought his scheme would involve a larger sum, but named no figure.

Still another type of experiment, this time the women

of England to be the subjects of it was suggested by Miss Amy Hurlstone, a social worker with an extensive knowledge of women workers in the Midlands. Miss Hurlstone, although of the opinion that low paid workers could not save towards Old Age, believed that they could subscribe towards the purchase of pensions and she wanted a compulsory scheme for women, with the women, ^{and} with their employers making equal contribution ^{supplemented by a bonus equal to both,} from the State. It is doubtful if at any time the woman's case against Chamberlain's plan was more effectively stated than by Miss Hurlstone in her testimony to the Commissioners. Only in exceptional cases in her experience was a woman able to pay down a sum like thirty shillings, the initial contribution towards a pension under Chamberlain's schemes. The age for receiving the pension, 65, was much too late. Fifty-five was not too soon, and in the event of the insurer dying before attaining that age, her contributions should be returned to her designated next of kin, the employer's contribution paid on her behalf being retained by the fund. Five main reasons cited by Miss Hurlstone in support of her contention that Chamberlain's schemes fell short of the requirements of her sex were: (a) Intermittent employment (b) low wage-rates (c) marriage (d) actual inability of married women to contribute anything during the earlier years of marriage and the upbringing of children (e) frequent cessation from work through physical or domestic necessities, or through seasonable unemployment in trades employing women in large numbers- such as silk, plush, cycle, textile and hat industries.

Canon Blackley's Lambeth scheme also came before the Commission. Against it was raised the insuperable difficulty of the task of discrimination assigned to a local body- in this

case ,church or parochial- while fully two-thirds of the money required was to come from the Government .Blackley's estimate of £ 150,000 for London alone was considered too low a figure,while his estimate of the Poor Law savings the plan would effect,the Commission pronounced as unduly optimistic. (15)

The Commission refused to accept the plea urged on behalf of universal pensions,that such assistance in Old Age was a kind to the pensions given by the State to soldiers,navymen and civil servants.The argument that as those in its direct employment had served the State,so had all workers really been in service to society,the Commission ruled out as fallacious. "The answer to this seems to us to be that a worker does not work primarily for the sake of the nation,but for the sake of the remuneration which he gets by his contract with his employer; and that where the State is the actual employer,the pension is given..... not in virtue of any benefit conferred on society but as deferred pay under the express or implied contract of service."

Not all the criticisms of universal pensions were couched in such comparatively mild terms. Here is Miss Hill's verbal castigation of Booth's proposals:

"I should describe it shortly as the most gigantic scheme of inadequate relief ever devised by any human being. It seems to me to have almost every flaw in it. It would not be adequate. I cannot believe it would promote thrift. It seems to me that it would do a great deal to destroy what one is of all things the most desirous to cultivate, the sense of responsibility of relatives; and I shall also object very much indeed to the idea of its being applied to all classes of people, it does not

seem to me reasonable that people who are well off should have a right to an annuity in order to save the sensitiveness of other people who are not well off".

As for Chamberlain's schemes, Miss Hill found herself in opposition on the ground that they placed too large a ~~proportion~~ premium on savings. All provision for Old Age she thought, should be unassisted by the state or locality. It should be voluntary and independent. Nobody who was thrifty came on the Poor Law in Old Age, according to Miss Hill. (How much this argument was worth, we have already seen. (16)) In proportion to what was done for the parents, the young people refused to lend a hand. (17)

Having disposed of all the alternative schemes the Commission came to grips with the most formidable portion of its assignment, - Chamberlain's schemes, which he had urged with great force and eloquence in the course of his lengthy evidence as a witness. Admitting the moral force of the view that the payments under a State-aided scheme should be so arranged as to be practically within the reach of all classes, the Commission nevertheless found that some of the proposals made as necessary to secure this object, involved provisions so elastic as to make the whole scheme impracticable.

Booth's objection to a scheme that would not come to fruition for 40 years during which the condition of the aged poor would remain unchanged was very inadequately met by a vague suggestion from Chamberlain of modifying the Poor Law during the interim. Nor was Chamberlain any more successful in persuading his fellow-commissioners to accept his estimates of pension costs. Based on the assumption that all the adult

inhabitants would enrol under Case 1 or Case 2, half the men taking returnable, half taking non-returnable annuities, and leaving out of account the savings of Poor Law expenditure that would ensue, his highest estimate was £ 5,000,000 a year. But this maximum figure might be reduced considerably. Taking the workers as forming two-thirds of the population, that left a prosperous upper class of one third which would not require pensions. This saving together with the decrease in Poor Law expenditure would bring the net cost down to half a million pounds. Even that sum might be considerably pruned. It was doubtful if more than the upper tenth of the working class would come into the project at the beginning. In that case, the maximum cost would be £ 350,000, while the minimum might be as low as £ 50,000 a year. While Chamberlain made it clear that he did not want any additional taxation imposed to finance the scheme, he contemplated the allotment from the Treasury of a sum of possibly two million a year! I do not think that any practical statesman would be able to contemplate a larger expenditure than that, he told the Commission. (16)

Besides the lively fears of the Commission that the costs would increase as the years rolled by, there was another apprehension which was heightened rather than allayed by the evidence of working class witnesses and their union representatives. This was the spectre of Socialism. Bewilderment and fear are both present in the Commission's acknowledgement of inability to understand the phenomenon of free pensions beguiling witnesses who had previously expressed preference for contributory systems. The plea advanced that a long period of payment of rates was in effect a payment of premiums for State Old Age insurance did

not convince the Commission, which appears to have seized with avidity upon the explanation of a Birmingham councillor that the demand was due to the advanced Socialism of that day, which, he said was penetrating everywhere. Whatever the explanation, the Commission felt, to adopt the suggestions of Chamberlain would open the sluice gates to a pressure that would have the inevitable effect of saddling the country for 40 years with an expenditure far in excess of the two millions per annum that Chamberlain had reckoned upon.

" A compulsory scheme ought to be universal and I do not see any way of making it universal. I have never seen how you could apply compulsion to any but persons who are in regular employment. It is very easy in their case to deduct their contributions from their wages through the employers, but in the case of persons who are their own employers or who are in casual employment, a very large class of the population, I have never seen that it would be possible to apply this compulsory provision.... Then the second practical objection is the enormous cost of administration involved, which I think has been found much greater in Germany than the promoters of the movement anticipated. And thirdly, I think it would be in the long run very unpopular with the working classes who would resent it as an interference with their liberty". A compulsory scheme, he further argued, would imply State-guaranteed security, which would in turn necessitate exclusions of the Friendly Societies and unfair discrimination against these existing vested interests". (19)

Despite these objections, the full force of which the Commission freely acknowledged, the Commission was less

opposed to compulsory schemes than to any other:

"We recognize that a compulsory universal scheme, if it were practicable would have great advantages, but we feel that there are insuperable objections to its adoption even in the simplest form now advocated by Canon Blackley". (20)

An objection to pension schemes in general, which the Commission found to apply in some measure to contributory schemes, was the fear of the emergence of a belief that since the State might advance money for Old Age relief in the form of pensions or annuities, it ought to perform the same service along many other lines. .

Contributory schemes must inevitably fail to attract the class most in need of aid, that in which thriftlessness and early marriage most prevailed. Equally was the Commission opposed to supplementation of inadequate benefit funds and it was convinced that a spirit of thrift would be hindered by the encouragement of partial and inadequate provision.

Before proceeding to deal with the public reception of the Report it may be well to consider the estimate made of it by some of the members of the Commission. If the recommendations of the Majority Report were so largely negative, and partook to such a great extent of opinions guardedly expressed, the Minority Report of Chamberlain, Ritchie, Maxwell, Hunter and Booth, dealt with the questions at issue in a decisive way, that might have been expected of this quintette, the most adventurous and progressive spirits in the group. Their Report commences:

"We are of opinion that the recommendations in the preceding Report are inadequate, and do not go as far as the evidence Before the Commission would warrant.

"While recognising that the Report contains a full

and fair summary of this evidence, we must express our conviction that it does not proportionately represent public opinion on the subjects remitted to us. The views of the advocates of the present system and of those officially engaged in its administration have been laid before us with great fulness by a large number of able witnesses, while the dissatisfaction so largely felt and expressed in the country has been brought to our notice by selected representatives whose limited number gives no adequate impression of the popular sentiment on the question."

Further on the five Commissioners say:-

"The fact has been established that at the present time the proportion of paupers over 65 years of age to the total population over that age, in England and Wales, is 19.5, reckoned on a count of the paupers on a single day.

"If the number of paupers returned as applying during one year is taken, the proportion will be 29.3.

"In round figures, three in ten of the total population above 65 are compelled to apply for parish relief during the twelve months.

"The significance of these figures is increased when we remember that probably one-third of the population belong to the well-to-do classes, which do not furnish many additions to the list of paupers. If we deduct them from the calculation the proportion of paupers over 65 to the total of the population over that age, and below the well-to-do, will be not less than three out of seven, or nearly one in two. We emphatically agree with the paragraph in the Report which says:- "Making every allowance for the qualifications which we have enumerated, we cannot but regard it as an unsatisfactory and deplorable fact that so

large a proportion of the working classes are, in old age, in receipt of poor relief."

"We are also impressed with the fact alluded to in paragraph 24, that there are, in addition to the number of actual paupers, large numbers of persons who are always just removed from pauperism, and who endure great privations in order to keep off the rates and we agree that they form a class quite as deserving of consideration as others who are actually numbered in the returns as paupers.

"We also agree that the imputation that old-age pauperism is mainly due to drink, idleness, improvidence, and the like causes, applies to but a very small proportion of the working class population.

"We think this imputation is disproved by the table in par. 22, which shows that pauperism increases with extreme rapidity in advancing years. Between 16 and 65 it is only 12 per 1,000, while above 65 it is 133, on a one-day count, showing that old age with its consequent infirmities is the chief factor in determining the proportion of pauperism."

Age Period	Population (1891)	Number of Paupers (on day of count)	Number of paupers Per 1000 of Population at age period
Under 16	10, 762,808	229,178	21
Between 16 and 65	16, 867,116	203,171	12
" 60 " 65	772,879	41,180	53
" 65 " 70	571,947	62,240	109
" 70 " 75	417,914	77,708	185
" 75 " 80	233,333	60,879	261
Above 80	149,407	44,860	300

From this, it followed-

" that nearly 20 per cent of the total population above 65 receive relief on one day and nearly 30 per cent in the course of one year. If, however, a deduction be made from the total

population of those belonging to classes which are not likely at any time of their lives to be in want of relief, it is evident that the percentage of those actually relieved to the population below the well-to-do must be ^agreatly increased. Making every allowance for the qualifications which we have enumerated, we cannot but regard it as an unsatisfactory and deplorable fact that so large a proportion of the working classes are in old age in receipt of poor relief."

The strong objections entertained by those who have to make use of Poor Law relief is thus described:-

"At the present time the objection to this form of assistance (Poor Law relief) prevailing among the poor is very strong, and in the case of indoor relief amounts to absolute loathing. The sentiment is creditable to their sense of independence, and is due largely to the feeling of degradation which is now associated with the condition of a pauper. In the case of indoor relief it is founded on more practical considerations, for, as is pointed out in the report, it is impossible to insure in all cases considerate treatment by the officials employed; while the discipline, monotony, and excessive dullness of the workhouse, the separation from friends, and especially from the young, and the possibility of uncongenial companionship, press heavily on those of the inmates whose previous surroundings have been happy and respectable."

That portion of the separate Report by Henry Broadhurst M.P., which relates to old-age pensions, is deserving of insertion, as conveying the opinions of a man well qualified to form and express views upon the conditions of the working classes in England.

"I believe that the time has now come for great and fundamental changes in the provision for the aged poor. The fact that "a very large number of people who have led ordinary respectable lives" are, in their old age, "forced to go upon the poor rates" is, I feel, rightly characterised "as a scandal upon our civilisation." I gather, from the statistics placed before us, that, throughout the United Kingdom, probably four hundred thousand persons over 65 years of age have no better provision for their old age than the workhouse, or the scanty dole of outdoor relief, both coupled with the stigma of pauperism. It is not as if this destiny of a pauper old age awaited exclusively, or even mainly those individuals in all classes who are idle, thriftless, or drunken; it is the common lot, for the most part, of whole sections of the labouring population whose circumstances have never permitted them to save enough to provide for their maintenance after their working power fails. It appears probable, notwithstanding all the praiseworthy efforts of Trade Unions and Friendly Societies, that, throughout the entire wage-earning class, one out of every three who reach the age of 65 become paupers at some time or other. And if we confine our attention to the two-fifths of the whole population who never earn full mechanic's wages—the agricultural labourers, the unskilled workers in the towns, women wage-earners, and others whom Mr. Charles Booth believes to furnish eighty per cent. of the paupers—we have it on the same eminent authority that probably "not less than two out of three of those who survive do at some time in their old age receive aid from the rates." A state of things in which two out of three of large sections of the labouring population are condemned,

after lives spent in hard and ill-paid toil in the service of the whole community, to linger out the rest of their days in pauperism, demands, in my opinion, the immediate attention of Parliament.

"Nor can I anticipate that any mere development of existing Poor Law arrangements will meet the requirements of the case. Sixty years' experience of the new Poor Law of 1834, whilst demonstrating its many advantages in other directions, has, I consider, conclusively proved that no satisfactory solution of the problem of the maintenance of the aged can be expected without a thorough reform of the whole system. The principles and practice of Poor Law relief, if not absolutely unchanged, have failed to keep pace either with the vastly altered social and industrial conditions of English life, or with the progress of political economy, and the constitutional changes of the past generation; and I feel with Professor Alfred Marshall that the conditions of the problem "are all different" now from what they were in 1834, "almost separated as the poles."

"I am equally opposed to the view that the maintenance of the aged should be left to the private charity of the well-to-do. I cannot recommend ^{the} ~~the~~ practice followed in the Whitechapel, Bradfield, and Brixworth Unions of restricting, as far as possible all public provision for the destitute, and throwing deserving cases upon private charity. I have been much impressed by the evidence given by Mr. Sidney Ward as to the ^{the} ~~the~~ cruelty of such a perversion of ^{the} ~~the~~ great Poor Law Report of 1834, and especially as to the degradation of character and demoralisation of the poor which such a system produces.

"I believe that the only adequate way of dealing with the situation is frankly to recognise the maintenance of the

aged as a public charge, to be borne by the whole community. If, indeed, it were possible to secure to every worker, male or female throughout their lives, wages sufficient to enable them to make due provision for their old age, there would be much to be said for the view, pressed upon us by many witnesses, that the matter is one for individual thrift. I cannot, however, see any reasonable prospect of universally raising the wages of farm labourers, unskilled town workers women wage-earners, and other ill-paid classes, to such a sum as would enable the average man or woman to provide an annuity for old age. To the ordinary unskilled labourer, town or country, a wise thrift, in my opinion, means primarily the provision of good food, clothing, and shelter for his family and himself; subscription to a trade union for protection against industrial oppression and insurance against sickness or want of employment; and prudent expenditure on the technical and secondary education of his children. I do not believe that these objects can be obtained in an average family without an expenditure of, at the very least, 30s. a week—an amount unfortunately far above the rate that can reasonably be looked forward to in the near future for millions of English wage-earners. For the large classes of workers who earn less than this sum, thrift means, not the saving of any part of their weekly wage, but its judicious expenditure.

"I strongly recommend, therefore, the adoption of a general scheme of pensions for the aged. I believe that a system under which any person could, at the termination of his working life, obtain a pension of even 5s. a week, would quickly remove all the worst features of the present situation and keep most of the thrifty poor outside the contaminating circle of the

Poor Law. Far from anticipating any demoralisation of character from such a system, I believe that it would indirectly bring about an improvement in the standard of life and personal character of the poorest class. I think that the age at which pensions should commence should be not later than 65, and that provision might be made for the grant of a pension at an earlier age in cases where a permanent breakdown had taken place. I agree with Mr. Charles Booth, Mr. J. Chamberlain, Mr. Ralph Price Hardy, the Rev. J. Frome Wilkinson, and other eminent authorities, that an old-age pension scheme would positively encourage and promote individual savings, by removing the present hopelessness and by making it, for the first time, worth a man's while to provide even 6d. a week in his old age, with which to supplement his State pension. With the view of ensuring this salutary effect upon character, I regard it as of the utmost importance that the State pension should be entirely dissociated from the Poor Law system; and paid weekly, preferably, through the Post Office.

"With regard to the financial basis of an old-age pension scheme I have arrived at a strong and definite opinion. I object to the proposal that the necessary funds should be raised, either wholly or in part, by contributions collected from the people themselves. I am, therefore, opposed in principle to all contributory or insurance schemes, such as those of the Rev. Canon Blackley and Mr. J. Chamberlain. It has, in my judgment, been conclusively proved, by witnesses of all shades of opinion that any voluntary scheme of National insurance or contributory pensions would benefit only those who could afford to make the contributions, and would leave unaffected the great majority of the aged poor whose wages have been insufficient or whose work has been too irregular,

to allow them to save. The grant of any aid to such a scheme out of the taxes would amount, in my view, to a cruel hardship upon the very poor. The agricultural labourer, the unskilled worker in the towns, and the woman wage-earner-few of whom could ever obtain a pension under an insurance scheme-would be taxed on every cup of tea or pipe of tobacco, in order that pensions might be awarded to the comparatively comfortable class of well-paid mechanics and foremen who were in a position to make the contributions required.

"Another objection ^{to} national insurance or contributory pensions is no less fatal. The evidence tendered by working class witnesses goes ~~in~~ in my opinion, to show that any scheme involving contributions, otherwise than through the rates or taxes, would meet with much opposition from the wage-earners of every grade. The Friendly Societies and the Trade Unions, to which the working class 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.

"On the other hand, Mr. Charles Booth's proposal for the grant of a pension from public funds, without personal contributions, may secure the hearty support both of the Trade Unions and

Friendly Societies. The provision of a minimum pension for all aged persons would, in my view, increase the business and facilitate the progress of these valuable forms of thrift. Such a pension system would open up practically a new business for the Friendly Societies and the Post Office Annuity Department. At present it is useless for any wage-earner to save anything for old age, unless he can see his way to provide himself, through Trade Union, Friendly Society, or other means, with an annuity of enough to live on. If in their old age, they are in receipt of a few shillings a week the Poor Law not only debar them from receiving any addition to it, but positively confiscates their little pocket-money as a condition of granting them a bare subsistence. The result is that millions of men save nothing at all. If a State pension of 5s. ³/₄ a week were secured to everyone, it would give a new impetus to the provision through Friendly Societies, Trade Unions, and the Post Office, of small annuities, down to even 6d. a week, to enable some little comforts or luxuries to be added to the bare subsistence provided by the State pension. The State owes a debt of gratitude to the Trade and Friendly Societies of the country for their persistent and unaided efforts to provide against destitution; but I regard the indirect assistance and encouragement which a State pension scheme of this kind would bring to their special work as preferable to any subsidy to them from public funds, accompanied as such a subsidy would necessarily have to be by some measure of Government control. I recommend, therefore, that the State pension should be universal, or at any rate to persons whose income does not exceed £3 a week, and entirely provided out of public funds. (21)

"With regard to the method of raising the necessary fund

for such a State pension we have had little evidence. The aggregate annual expenditure would no doubt be considerable, as much, perhaps, as is at present spent on the Army or the Navy, or as the total annual outlay, from local and Imperial funds, upon our Educational system. It must, however, be remembered that the aged are already maintained, in some form or another, by the labour of those who are at work. The direct acceptance of their maintenance as a public charge involves, therefore, little if any increase in expense to the community as a whole, but merely the readjustment of an existing burden. A charge of, possibly, twenty millions sterling upon the public exchequer would, of course, involve increased taxation, but such a sum (which is no more than the addition to the public expenditure between 1873 and 1893) would be reached only by degrees. The readjustment of the Budget which such a charge would involve is, however, a problem for financial experts. So long as four or five hundred millions sterling are every year paid in rent and interest, and a corresponding amount of wealth annually changes hands by death, the wage-earners will be slow to believe that the provision of twenty millions for the maintenance of aged workers offers any insuperable difficulty to a willing Chancellor of the Exchequer.

"An old-age pension system could, moreover, be set up by degrees, a specified number of pensions being awarded annually, by the County Councils or other local authorities unconnected with the Poor Law, in some such manner as that suggested in the Old-age Pension Bill introduced by Sir Walter Foster in 1892, or in the Old-age Provident Pensions Bill of Mr. G. C. T. Bartley. Though I am aware of the difficulties and dangers of any partial dealing with the problem of the aged, I should welcome such legislation rather

than the indefinite postponement of a more thorough-going measure."

Here, within the covers of the Commission's own Report was the answer to every practical objection which it raised.

Chapter Five

- (1) Report of the Royal Commission on the Aged Poor (1895) P 85
- (2) Ibid PP 108-117
- (3) Ibid P 552
- (4) Ibid 942
- (5) Ibid 712
- (6) Ibid 56
- (7) Ibid 646
- (8) Ibid 70
- (9) Ibid 650
- (10) Unity(Friendly Society journal) January 1891
- (11) Report of the Royal Commission on the Aged Poor(1895) P 612
- (12) Ibid 941
- (13) Ibid 612
- (14) Ibid 632
- (14a) 69
- (15) Ibid 74
- (16) Vide supra 108
- (17) Report of the Royal Commission on the Aged Poor(1895) P ~~703~~ 553
- (18) Ibid ~~660~~ 703
- (19) Ibid 680
- (20) Ibid 25
- (20) The printed memorandum says £3 obviously a misprint

CHAPTER SIX

A report presented in the apologetic vein that marked that of the Aberdare Commission could hardly stir among impartial observers, the enthusiasm that was so patently lacking among its authors. Supporters of the status quo, while apprehensive of that section which recommended for the study of the subject by a less numerous body were naturally more pleased at the indecisive issue than were the advocates of a new law for the aged poor. Even these, however, found strong support unwittingly rendered for their position by this Commission which was opposed to any fundamental change in the operative law. That Commission in plain unequivocal language had declared its finding that neither the exercise of thrift, nor the support of relations nor the intervention of voluntary charity could be absolutely relied on to prevent deserving persons from requiring public assistance in Old Age. With this admission from a body in the main opposed to the reform, the case so laboriously built up against that reform was sadly weakened. Nor was the recommendation of the Commission that the Board of Guardians be advised, as were the local authorities of Queen Elizabeth's day, to discriminate in their relief between the deserving and the undeserving an adequate treatment of the problem. For these unwitting aids to their cause, the champions of pensions were singularly ungrateful. The Hon. Lionel Holland, a Conservative, M.P. member for Bow and Bromley was caustic in his criticism of the Commission and its works.

"The Majority Report itself" he said "is a pronouncement compared to which the 39 articles are as a Child's History to the

apprehension. It is scriptural in so far that the disciples of every economic school can cite it in support of their divergent opinions. Every paragraph contradicts some other paragraph and as though the inconsistent statements were not multiplied sufficiently by 342 paragraphs, a summary is added which is a refreshing novelty in the way of summaries, in that its purpose is to contradict the contradictions contained in the Report it professes to summarize. Finally each Commissioner appends a memorandum of his own, setting forth the special conclusions he wishes to traverse in the document he has already endorsed with his name; and inferring that he would not himself have approved the Report had he not been under the impression that some other Commissioner would have done so who has not done so..... It is natural that politicians do not attach much weight to a public pronouncement, however painstaking and influential which is merely an authoritative expression of the absence of an opinion... Yet it is demonstrably the case that the success of our existing Poor Law system depends on the rigor with which it is administered. It is one method of police regulation based upon the idea that people must not be permitted to commit the public nuisance of starving to death in the city streets or country highways, but must report themselves and be taken in charge if they contemplate such a necessity. Poverty, the Poor Law does not regard; destitution alone supplies the key to its bounty. The poor are not to be helped to ward off destitution but the destitute are to be guarded against starvation. The Report supplies information upon the extent of the evil and the prevalence of popular feeling as to the injustice of the existing Poor Law methods" (1)

It was a new Government and one which Mr. Holland cordially supported which was destined to act on the Commission's resolution recommending the handing over of the pension problem to another and smaller body. The election of 1895 resulted in the defeat of ^{Rosebery} Gladstone and the return of Salisbury at the head of a Government which containing as it did a fair sprinkling of Liberal Unionists imposed on him the task of reconciling Conservatism with sufficient reform to keep his new and uneasy allies in step with the majority of his party. Amelioration of the lot of the aged poor was promised in the election address of Arther Balfour, Conservative leader in the Commons; there were few speeches on either side in the campaign which did not contain some reference - favorable in the majority of cases to Old Age Pensions. The scheme associated with the name of James Rankin, M.P. for North Herefordshire and Chairman of the National Provident League, of which further notice will presently be taken, ranked as a comparatively minor one so far as public discussion was concerned; yet Rankin was able to boast that no less than a hundred and seventy-three successful candidates pledged themselves to support it if he raised it in the House. (2) Along with this battalion of supporters in the ranks, there were in the Cabinet, Mr. Joseph Chamberlain, his fellow Commissioner C.T. Ritchie and the Duke of Devonshire who had declared after the issuance of the Report: "We are not absolved from the duty of seeing whether some better system (than the existing Poor Law) in relation to the industrious poor may not be devised." The Duke was in favor of introducing the scheme in very small instalments, in order to have the principle recognized,

and when that objective was attained to extend it as necessary. His Grace's idea of strategy , as the event was to prove was sounder than those of practically every leading exponent of pensions in all the earlier agitations.

Backed by these colleagues , Chamberlain was not long in bringing his influence to bear on the new Government and the result was the appointment on July 2, 1896 of a committee of experts under the chairmanship of Lord Rothschild with instructions "to consider any schemes that may be submitted to them for encouraging the industrial population, by State aid or otherwise, to make provision for old age; and to report whether they can recommend the adoption of any proposals of the kind either based upon or independent of such schemes, with special regard, in the case of any proposals of which they may approve, to their cost and probable financial results to the Exchequer and to local rates, their effect in promoting habits of thrift and self-reliance, their influence on the prosperity of the Friendly Societies, and the possibility of securing the co-operation of these institutions in their practical working."

One hundred and thirty schemes brought before the Committee testified in unmistakable fashion to the intense interest aroused by the question in the country. Reading into their reference, a meaning which Chamberlain later asserted he did not intend it to bear, ^(2a) namely, the exclusion of all except contributory schemes, the Committee immediately discarded all except nine. In consideration of ^{these} ~~these~~ nine and in the examination of fourteen witnesses, together with the drawing up of a Report of sixteen pages the Committee spent two years. In addition to the Chairman, the Committee consisted of Sir Francis Mowatt, Permanent Secretary of the Treasury; Sir Courtney Boyle, Secretary

to the Board of Trade, Sir Spencer Walpole, Secretary to the Post Office; A. J. F. Inlaison, Actuary of the National Debt; E. W. Bra-brook, Chief Registrar of Friendly Societies; George King, Actuary of the Atlas Insurance Company; A. W. Watson, an Actuary of the Manchester Unity Order of Oddfellows, and Alfred Chapman, Parliamentary Agent of the Order of Foresters.

Unlike the Aberdare Commission, which Booth described as having been expressly chosen for the divergence of ~~views~~ of its members, the Rothchild Committee had no eager partisans like Chamberlain or Hunter on the one side and Loch and Stockall on the other. But the fiction of total impartiality could hardly be maintained, for while the defenders of state aided pensions were unrepresented, ^{the} destructive or at least severely critical element was in full force in the Friendly Society officers on the Committee, who could hardly be expected to recommend the enactment of a law that might clash with the interests of the organizations they represented. The homogeneity of the Committee was reflected in its unanimous and adverse report.

Classifying the many schemes laid before it, the Committee allotted them to four groups:

(1) Schemes involving compulsory contribution towards a pension fund, either by way of the German method of deduction from the worker's wage by the employer, to which was added a contribution levied from the employer; or by way of an annual or lump sum made by all young persons before a certain age (the method associated with Blackley's name) and accumulating at compound interest until the pension age.

(2) Schemes providing a universal grant of pensions to all persons upon attaining a certain age without requiring

from them any direct contribution, or examining their merits and their need, the plan put forward by Booth. Various modifications were suggested, chiefly with the object of fixing the income above ^{which} there should be no grant.

(3) Schemes providing special facilities and encouragement to voluntary insurance against Old Age, with material assistance from the State.

(4) Schemes providing State aid toward Old Age Pensions for members of Friendly Societies only. Some of these proposed that members of Friendly Societies as such should on reaching a given age, receive pensions from the public funds. Others proposed that pensioners should receive part of their annuity from the society and the rest from public funds. These cool proposals towards aggrandisement of the Friendly Societies at the expense of all, including the poorest, were significant, not merely as a fresh exemplification of the principle, so favored in many quarters considering relief of the aged that "To him that hath shall be given" but as showing that the Societies recognized the growing sentiment in ^{the} nation which betokened a change in the law and that where formerly they had opposed the sentiment, they were now seeking to stake their claims in the most favorable location.

The Committee abruptly dismissed as outside its terms of reference, all schemes based on compulsion as contrasted with encouragement ; all confined to members of Friendly Societies or cognate institutions, as distinct from the industrial population generally; and all that called for no provision on the part of the beneficiaries. This ruled out all those that could be included in Groups 1 and 2 and the Committee proceeded in the leisurely fashion of such bodies to study the nine forms of

voluntary insurance that secured a place on the agenda. (3) All contemplated State subsidy of individual effort. The nine were:

- (1) Parliamentary Committee's scheme. (2) Rankin's scheme.
- (3) Sir Henry Burdett's scheme. (4) Rev. J. Frome Wilkinson's scheme
- (5) Friendly Scheme. (6) Lionel Holland's scheme. (7) The Bristol Scheme. (8) The Chester scheme. (9) Sir Spencer Walpole's scheme.

The first of these was the plan or plans of Mr. Chamberlain which had been presented to the Aberdare Commission under the heads of Case 1, Case 2 and Case 3. These were no more successful than they had been before the former body, indeed they were rejected in somewhat more emphatic terms. The Committee could not believe that the public would accept a scheme which conferred no benefit on the existing mature generation, that came into operation at a date so distant as to make it impossible to forecast the conditions or needs of the classes who would then be affected by it; that contemplated an enormous fund under the control of the State and that established a relationship between the State and the Friendly Societies, increasing the labor and responsibility of the one and fatal to the independence of the other.

Rankin's proposal was simply that any person of 65 years of age receiving an annuity of at least £6-10/ a year should be given a similar sum from the State to be provided by annual Parliamentary grants. This scheme, the Committee condemned as being open to fraud and because it threw too much labor upon the Post Office. When the Committee raised the further objection that no income limit was mentioned to restrict its benefits to the class requiring help, Rankin suggested fixing the limit at £20 after 65, but even this concession failed to sway the Committee. It is interesting to note that the obvious objection

that it took no account whatever of what **might** be called the "problem" section of the workers, the needy, the thriftless and the unfortunate, who, presumably, would have to bear their share of the taxation to make up the subvention, was not raised at this point. But this class was largely overlooked during the proceedings of the Committee.

Sir Henry Burdett proposed to confine the benefits of his plan to two classes drawn from people who earned twenty shillings or less a week. From the first of these, composed of workers earning from fifteen to twenty shillings a week, he proposed to take contributions of a shilling a week, to be lodged in the Post Office Savings Bank. From the second- earning less than fifteen shillings a week- he wanted a weekly contribution of ninepence. On behalf of these contributors, the State would pay fourteen shillings a year per person to an approved Friendly Society, securing a sickness allowance of ten shilling a week from twenty to sixty years of age for the insured persons. The State was to accumulate the balances- £1- 18/ a year per member in the first group and £1- 6/ in the second- at $2\frac{1}{2}\%$ compounded annually. These accumulations, Burdett calculated, would purchase a deferred annuity of £11-11-6 per member in the first group and of £7- 8- 6 in the second, the State in each case bearing the cost of bringing these annuities up to £18. State aid was also to be forthcoming in keeping up payment of premiums of insurers in cases of temporary inability to meet them. Liberty to cancel the contract and withdraw all premiums, possibly even with interest, was to be permitted up to the age of 60. In the event of the death of the insurer before that age, all payments with $2\frac{1}{2}\%$ compound interest were to be

returned to his representatives.

In rejecting this project , the Committee adduced the following reasons:

(1 (Its limited scope , taking in only workers earning no more than a pound a week.

(2) Burdett's assumption that these low paid workers could subscribe a shilling or ninepence a week for forty years was untenable.

(3) He made no provision for contributors whose wages might be increased beyond a pound a week, thereby removing them from the operation of the ~~scheme~~ ^{scheme}.

(4) It confined the pension to contributors to the Post Office , ignoring the thrift efforts of others who had placed their savings elsewhere .

(5) It contemplated the purchase of deferred annuities heedless of the reams of evidence available of the dislike of several generations of this kind of investment. If successful it would result in the creation of a huge fund in the hands of the State for investment.

(6) It assumed that the State could without loss guarantee $2\frac{1}{2}\%$ compound interest indefinitely and also defray the working expenses- this at a time when Consols were yielding barely 2%.

(7) It made contribution to an approved Friendly Society essential and required the State to collect the contributions and deliver them to the Society. The State would therefore, have to be satisfied of the continued solvency of the society and would have to exercise a close supervision and control.

(8) It assumed a uniform sickness contribution of fixed amount- 14 shillings. But some trades, an account of the greater

liability to sickness of those engaged in them, required much higher contributions than others. If a uniform contribution were fixed, some societies might become insolvent, while others accumulate a surplus.

(9) It assumed that the main expenses of the Friendly Societies consisted in the cost of collecting contributions, whereas a considerable part of the expenditure was incurred in the general administration.

(10) Finally it could do nothing for the existing generation of aged poor and for others above 20 years of age, little beyond revision of the Poor Law, with irksome restraints upon them.

Rev. J. Frome Wilkinson, whose fertility in invention and construction was little below that of Blackley's, urged on the Committee an up-to-date amendment of his earlier plan which the Aberdare Commission had rejected. (4) His amended scheme proposed to provide individuals whose savings brought them an income of 1/6 a week with a State bonus bringing that sum up to five shillings a week. He proposed the time of decay of working powers rather than any age limit- he had named fifty as the age in his earlier scheme- as the proper time for commencing the pension.

"There must be no inflexible rule as to the precise and exact mode by which the applicant's social and moral desert is manifested. For example, misfortune, circumstances over which he has no control- may have deprived an old man of the results of his thrifty habits." (5)

If Wilkinson had fancied his re-arranged plan would meet with more favor than in its former shape, he was speedily undeceived. The terse objection from the Committee:

"It involves a large extension of the liability which the State is asked to assume and reposes a very wide discretion in the administration of the State bounty," (6) consigned it to the limbo of discards.

Fifth in order of consideration was a series of alternative schemes, varying in detail but betraying kinship in that they were put forward by Friendly Societies for the exclusive benefit of Friendly Society members. The chief interest of these schemes was in their illustration of the pretensions of the officials of these bodies. Some of them proposed that the State should give pensions to Friendly Society members at a certain age or after a certain length of membership. Others suggested that part only of the pension should be paid by the State, the remainder by the society. In either case, decided the Committee, exclusive benefits were claimed by the societies and these put the plans outside the terms of its reference.

Lionel Holland who, in spite of having originated a scheme of his own, had been known chiefly as a critic of earlier efforts appeared before the Committee in a more constructive role. Leading features in the plan he put before the Committee were pensions at 60, 65, 67, and 68 for persons whose earnings had been below the income tax level, £160 a year, if from the age of 25 they had belonged continuously to a benefit society and had never received Poor relief. Five shillings a week, he considered the ideal pension, the costs of which he proposed to throw upon the Imperial Exchequer or alternatively, half from the Treasury and half from the local rates. He also proposed to extend the benefit of survivorship to widows of pensioners. A Benefit Society for the purposes

of his pension law was to consist of "any registered society which provides for sickness expenses, whether a Friendly or a trade association and (under certain conditions necessary to ensure the permanency of ~~the~~ benefits) [unregistered] clubs or associations in connection with industrial firms and undertakings so long as their members contribute substantially to their funds. (7) In order to ascertain what societies were of sufficient standing, Holland proposed a special register of societies that might come within the purview of his plan. Upon such register all societies which existed by levies or which divided their funds at the close of each year would be included only if they undertook to separate their sickness funds from their other finances. No society that had not a fair degree of solvency would be placed upon the register. These last features stirred uneasy feelings in the minds of the Committee.

"We must observe" remarks the Report, "that by the insertion of a society at its own application upon a special register of 'fairly solvent' societies, the State would assume a greater responsibility than any skilled actuary undertakes. If the expression is to mean anything less than 20/ in the pound the certificate would be misleading. If it is to mean not less than 20/ in the pound the requirement would exclude the great majority of societies. Whichever it means, the admission of a society on the special register would imply a contract with every member of that society of the age of 25, that if he continued in it for 40 years, the State would grant him a pension even should the society fall upon evil days and lose the condition of 'fair solvency' ".

Varying an old argument, Holland, with his usual ingenuity

contended that a man who had supported himself without public aid up to the age of 65, had in effect paid a premium for old age insurance. As an embellishment to his design and a diminution of the cost to the State he put forward the alternative arrangement whereby a member of a benefit society should have to wait till 67 or 68 before getting his pension, the society paying him a fixed sum in lieu of sick benefit from the age of 65 till the pension became due. The wide extension and great utility of the Friendly Societies, their open membership- these, he urged, were reasons enough for using the societies as the medium of the plan. Holland was eloquent in his advocacy, but the Committee keeping a strict eye on its reference refused to accept any plea for preferential treatment, or for any pension plan to which the recipient made no direct contribution. (8)

Preferential treatment for Friendly Societies was even more boldly urged by the sponsors of the next scheme to come before the Committee, the Bristol scheme, expounded by Arther W. Page and Edwin Larcombe, Provincial Grand Master and Past Provincial Grand Master respectively of the Bristol District of the Independent Order of Oddfellows, Manchester Unity.

" We have simply framed this in the interests of the Friendly Societies as a whole." Page frankly told the Committee. (9)

"Our position is that if we have put £100 in a Friendly Society, we stand a chance of getting ~~only~~ it out again or we may get only our funeral money." The man who puts £100 in the Savings Bank or building society gets that £100 back plus interest at his command. We are sinking ours possibly for our own benefit, but probably for some else's " explained Larcombe.

" When you were considering this scheme, did it at all

enter your mind that only members of a Friendly Society should be entitled to a State - aided pension ?" asked Lord Rothschild. "That was our primary idea", replied Page, " that Friendly Society members were the persons who in their old age were entitled to it, having done so much in previous years for the general good of the public at large"

Asked to explain in what direction this good lay, Page answered:

" By affecting the great saving in the poor rate , which it is calculated they have done by the payments of four millions and a half for sickness and funeral benefits every year".

Still, Page was willing to be generous. He explained once more that "primarily" the pension law should be for the people he represented but-

"I do not say that no other provision should be made for old age people other than members of the societies . That is a matter , of course , for your committee".

This Bristol scheme contemplated a State pension or annuity of £6-10 for members of 65 years and over of Friendly Societies that were solvent or had liabilities not exceeding their assets by more than ten per cent. To qualify for the pension the member had to be entitled to at least an equal sum from the society, to be under no liability for the rest of his life in respect of sick or funeral benefits and he must not have been in receipt of Poor Law relief.

Here at last the Committee had found a scheme which was not open to the objection that the beneficiary had made no contribution to the pension it was proposed he should enjoy.

Leading Friendly Society tables, the Committee found showed that a weekly subscription of a penny farthing extra from the age of 25 to get at 65 an annuity amounting to 2/6 a week instead of sick pay. But there were other grave objections. There was no provision under this scheme for members who were over 65 when it came into effect, or were too old to make themselves entitled to its benefits by additional subscriptions to their society.

On somewhat different principles was another Friendly Society scheme submitted to the Committee by a conference of representatives of these organizations in Chester. The Chester scheme advocated Building Society Pension Funds established by equal contributions from the members and the State; the treasury contribution to be raised in any manner the Government thought fit; pensions to be graded according to length of membership in the joint fund; ten shillings a week for forty years contributions; seven shillings and sixpence for thirty years; five shillings for twenty years; two shillings and sixpence for ten years. No person under the age of sixty to be eligible for the pension. The pension fund was to be separate and distinct from other funds of the society and the premiums paid by members of more than five years standing into the fund, 75% was returnable to their legal representatives in the event of the insurer dying before reaching sixty. The scheme also proposed that members of the Friendly Societies over 50 years of age who had paid into their society for not less than twenty years should after attaining 60 years of age and becoming incapacitated for self-support be paid a pension allowance out of the fund of five shillings a week, half of this amount to be repaid to the fund out of the Imperial Exchequer, the other half from the sick fund of the

branch or society, which in consideration of this payment was to be relieved of all liability to pay the usual sick allowance the members concerned would otherwise be entitled to receive.

Bracketing this Chester scheme along with the Bristol scheme as impracticable, the Committee advanced the following objections:

(1) They implied or required that the societies should receive a State certificate of solvency, or approximate solvency, the danger of which had been pointed out in dealing with Holland's scheme. Such a certificate would operate to the advantage of the wealthier to the disadvantage or ruin of the poorer societies or branches. The State could hardly accept as sufficient, without investigation, a valuation submitted by a society itself, as evidence of adequate resources. There would have to be at the outset, an official valuation, including examination of investments, which would have to be repeated from time to time. The circumstances of Friendly Societies varied so greatly, the Committee found, that no universal standard of solvency could be fixed and any official valuation would involve an amount of Government interference which the Friendly Societies would resent.

(2) Both schemes contemplated a system of commutation of sick pay into an annuity as a qualification for a pension. The circumstances of Friendly Societies did not admit of many of their members availing themselves of the proposal. Where the members were, under existing rules entitled to sick pay for the whole of life, the commuted equivalent annuity could seldom exceed a shilling a week, instead of the 2/6 a week proposed. The societies could not afford to give their members the right to commute even on these terms, unless the commutation were made compulsory

for the members, who could obtain more from a society by their existing contracts than by commutation would exercise a selection against the society and hold to their existing contracts. These, being the society's bad bargains would land it in insolvency. It would be an indefensible measure of the legislature to make commutation compulsory by breaking existing contracts. (10)

(3) The schemes contemplated that members of Friendly Societies were to be given preferential treatment over persons who had deposited their savings in co-operative societies, building societies or savings banks, or applied them to the purchase of cottage property or other form of provident investment, and not all the arguments of the society representatives could induce the Committee to agree to this claim to exclusive access to the national exchequer.

With none of the scheme laid before it commending themselves to the Committee which felt that all contained features that would ultimately injure rather than serve the best interests of the industrial population, a study was then made of a scheme submitted by one of its own number, Sir Spencer Walpole who gave himself up to the duty of devising one that would come within the four corners of the terms of reference.

Walpole in a separate memorandum explained that he signed the Report because he was agreeable with its main conclusions. But he appended certain reservations:

" I desire to record my opinion that while great and proper emphasis has been laid in the foregoing report on the objections to any scheme, insufficient prominence has been given to the many advantages which would ensue from a broad

and Liberal arrangement for providing for the Old Age of the industrial classes. These advantages are in my judgment such that they deserve to be considered in connection with the objections to any scheme for Old Age Pensions which have been stated with so much force.

" I also desire to add that if any scheme of Old Age Pensions should ultimately be adopted, I am of the opinion that more liberal provision should be made for the pensioners than is contemplated in this report. It seems to me that it would be the gravest of all mistakes to institute a scheme of Old Age Pensions under which the pensioner was not materially better off than the ordinary outdoor poor"(11)

With a backward glance at Loch's memorandum to the Report of the Aberdare Commission, Walpole drew attention to the salient facts which Loch thought unworthy of argument, namely, that one person in every five of 65 and over was in receipt of poor relief on a particular day in 1892 and that one of every three above that age applied for relief in the course of the year

" When these facts are thoroughly known and their significance thoroughly realized," wrote Walpole, " it is difficult to believe that the population which is probably becoming more altruistic every year will console itself by the reflection that bad as things are now they were once worse. They will repudiate the policy of nothing and insist on something being attempted" (12)

Spencer's original proposal contemplated empowering the Guardians to supplement the incomes of those in possession

of two and sixpence and upward by sums as follows:

Those with	2/6	to receive	2/6	making total income	5/
"	"	3/6	"	"	2/
"	"	4/6	"	"	1/6
"	"	6/6	"	"	6d

" I should like to double these figures" remarked Walple

" but we must start low"

As modified after considerable discussion by the Committee, the scheme stood thus

If the applicant had	2/6	and less than	3/	Guardians add	2/6
"	"	"	3/	"	4/
"	"	"	4/	"	5/
"	"	"	5/	"	1/

Assured income the Committee defined as an income derived

from any one of the following securities:

- (a) Real Estate
- (b) Leasehold property, the ~~xx~~ unexpired term of the lease being not less than 30 years.
- (c) Any security in which trustees were authorized to invest either by statute or by an order of the Court of Chancery
- (d) Any annuity purchased from the National Debt Commissioners or through the Post Office or from a register Friendly Society or from an insurance office.
- (e) Or any other security from time to time approved by the Treasury.

No allowance of outdoor relief from the rates was to be considered as "assured income"

The Poor Law Guardians of the district in which the pensioner resided were to be the pension authority. The pensions were to be paid from the local rates and a proportion of not more than a half of the cost was to be made good by the State.

The receipt of a state aided pension would not involve the loss of civil rights.

No person was to be eligible for a pension who through any physical or mental disability had to be given relief in an asylum, infirmary or as inmate of a workhouse.

Despite the changes the project had undergone in consideration by the committee, Sir Spencer's plan so carefully measuring up to the specifications laid down was rejected. Defects as noted by the Committee were:

(a) The plan imposed on the State generally and therefore on the industrial classes, a heavy charge for providing pensions for a portion only of these classes

(b) It encouraged that amount of thrift only which was required to gather an income of 2/6 at 65; but discouraged any further effort

(c) By relieving the industrial poor from the obligation of wholly providing for their Old Age, it probably would tend to depress the wage rate.

Still, the Committee ^{admitted} ~~admitted~~ that the plan had some good qualities. These it summarized as follows:

(a) It was capable of being brought into immediate operation at any rate to some extent

(b) It left the industrial classes free to save by their own way

(c) It offered the public aid to all persons of the industrial classes who could make the required savings, a sum of five shillings a week at 65. Of all the schemes placed before it, the Committee found this one ^{most} ~~more~~ in ^cconcurrence with public opinion

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To the cost of the scheme, which Walpole estimated at two million, three hundred thousands pounds, the Committee pointed out would have to be added heavy expenses of distribution.

Walpole's scheme in common with the others the Committee considered was open to the further objection that although in theory they were available to all members of the industrial class , in practice their benefits would have been limited to a section neither the most numerous nor most in need of some kind of public assistance. The Committee found it open to grave question whether the majority of the poorest classes ~~have~~ had, as a rule any such savings by 65 , as all the schemes required.

Apart altogether from the instructions governing its labors, the personnel of the Committee would not have permitted it to dream of free pensions from the State, but this finding as to ability to save dealt a deadly blow at all theories of contributory pensions, the effect of which was hardly lessened by subsequent paragraphs as follows:

"The duty of every man to exercise reasonable thrift and self- denial in the attempt to make provision for his Old Age is implied in 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.

" 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 is the possession at the pension age of an income within the limits laid down as qualifying for that aid. This limitation, however, depends to a large degree, upon the average wages the individual can command and, considering this question, it must not be overlooked that the power of the employed to obtain from the employer the full wage value of his labor has increased and is likely to increase still further". (13)

"The cost of indoor relief will not be appreciably diminished by any system of Old Age Pensions" was another important conclusion. (14)

Applicants for pensions would be encouraged to apply for and in many instances would be consoled by a grant from the rates, the Committee decided, as a result of the obscurity of distinction between pensions and an allowance for outdoor relief, which several schemes, notably Walpole's manifested. This feature, indeed, the Committee commented, created a risk of a system which was intended to promote thrift and to discourage reliance upon the rates producing diametrically the opposite effect and tending even to increase the pauper rate.

Another spectre which troubled the Committee and which was destined to be raised repeatedly in later discussions was that of the pension age being forced down through popular pressure and of grants being forced up (Had not Walpole said he would like to double the figures?) until the country was saddled with an expenditure for pensions akin to that which Booth had quoted. The Committee was resolved not to open the sluices.

But the report contains a significant sentence that was later to be a potent factor in the opening of these same sluices:

"We do not question that the State could bear the necessary additional burden , if the welfare of the community really demanded it."(15)

Here was a hard knock for all the zealots for individualism who had proclaimed bankruptcy as inevitable if the State should come in this manner to the rescue of its indigent veterans.

The cost of administration was not the most important consideration, the Committee considered. What counted more was the effect on thrift and wages. Would not the employer rather than the employed get the benefit of State contributions?

A hint of the feeling of the Committee that it had been assigned an impossible task is evident in the remark:

"Any pension scheme coming within the terms of

our reference would be limited to a comparatively small section of the community , and we are thus face to face with a very serious difficulty. We can hardly, for the benefit of so limited a section of the community, recommend the Government to establish a pension system which must be extremely difficult and costly to administer which excludes the really destitute , and those who owing to broken health and misfortune or want of employment or a lower rate of wage- earning, can make no contribution".

Reiterating its verdict the Report continues:

"It is only very slowly and with very great reluctance that we have ~~xx~~ been forced to the conclusion that none of the schemes submitted to us would attain the objects which the Government had in view , and that we ourselves are unable , after repeated attempts , to devise any proposal free from grave inherent disadvantages" (16)

The Committee concluded its jeremiad with a faint paean, contrasting somewhat with its earlier utterances:

"Before closing our report we desire to refer to one consideration which the course of our inquiry has strongly impressed upon us. It is that a large and constantly increasing number of the industrial population of this country, do , already, by prudence self- reliance and self- denial make their Old Age independent and respected. We enter^tain a strong hope that the improvement which is constantly taking place in the financial and moral conditions of labor will do

much to deprive the problem we have had to consider of much of the importance now attaching to it ".(17)

Coming after a series of paragraphs which had contained rejection of the various schemes on the ground of the comparative few who would be able to make the required contributions, this final conclusion hardly added anything to the consistency of the document as a whole.

With the appearance of this Report the movement seemed as if about to come to a dead end. How gloomy the situation appeared to a sympathetic onlooker detached from British politics will appear from the comments of Lieutenant-Colonel J.C. Neild ^{of} New South Wales Commission, who visited Great Britain during a tour of Europe in search of data to guide the colonial legislature in framing laws governing charitable relief and state insurance. Col Neild wrote;

" The prospect of the adoption of a system of Old Age Pensions in England did not strike me as satisfactory. While there is a widespread feeling of dissatisfaction regarding the present distribution of Poor Law Relief , and an ever- growing demand for more humane methods of dealing with the vast host of the unfortunate in youth, middle life and Old Age, there are few countries in which the reformer's efforts are more hampered than in England. Few nations ^{do} less appreciate , or have experience less of startling

change.

" In England the national solidity has experienced but little disturbance , and the growth of novel forms of legislation and social developemnt has been , and is likely to continue to be, comparatively slow. The British distrust of new- fangled ideas, the inherent conservatism of the race- qualities the possession of which has done so much to advance the solid progress of the nations- have also tended materially to restrict the onward march of reform.

" The chief opponents today are (1) the wealthy who are beyond the need of Old Age provision; and (2) the Friendly Societies , which appear to fear interference with their operations. The former class have been probably alarmed by such proposals as those to raise 24 millions sterling per annum by an Income Tax. More rational suggestions and wider information may be expected to remove much of the existing opposition. The task is admittedly an arduous one.

"But there exists an army of reformers; an army of humanitarians; an army of ~~extremists~~ econonists and thinkers and Christian workers who having forced the ^question of Old Age destitution relief to the front rank of political and social questions, will keep it there until, despite the difficulties that now lie in its path , it is successsfully dealt with by enlightened legislation." (18)

The report from which this extract is taken appeared in 1898. That Neild had underestimated the force of the movement on behalf of the aged, as well as attaching undue emphasis on the strength of its opponents is amply demonstrated by the fact that within a year of the publication of his report, a Select Committee of Parliament had not only agreed as to the feasibility of pensions, but had actually framed a measure of its own which it recommended to the Government. Ten years from the date of the Neild report, Old Age Pensions were in actual operation in Britain. The story of the rapid triumph of the ideal after years of lethargy and disappointment is one of the romances of modern British politics.

CHAPTER SIX

- (1) National Review , vol 26, P 849 (1896)
- (2) Report of the Special Committee on Old Age Pensions (1898) Minutes of Evidence P 89
- (2a) Parliamentary Debates vol 69 (Fourth Series) P 62, March 22 ,1899
- (3) Report of the Special Committee on Old Age Pensions (1898) P 2
- (4) Report of the Special Committee on Old Age Pensions (1898) Minutes of Evidence, P 147
- (5) Ibid P 149
- (6) Report of the Special Committee on Old Age Pensions P 5
- (7) Ibid P 6
- (8) Ibid
- (9) Ibid; Minutes of Evidence P 50
- (10) Report of the Special Committee on Old Age Pensions P 8
- (11) Memorandum by Sir Spencer Walpole; Report of the Special Committee on Old Age Pensions P24
- (12) Ibid
- (13) Report of the Special Committee on Old Age Pensions, P 14
- (14) Ibid
- (15) Ibid P 13
- (16) Ibid P 15
- (17) Ibid
- (18) J.C. Neild; Report on Old Age Pensions, Charitable Relief and State Insurance . PP 41,42

CHAPTER SEVEN

The deleterious effect of the Report of Despair was partly offset by the news of the passing in the Autumn of the same year of the Old Age Pensions Bill of New Zealand- the first passed in the British Empire - giving pensions of seven shillings a week to respectable workers of 65 yeats and over.

Almost as soon as the measure had become law, the Agent General of New Zealand in London, the Hon. William Pember Reeves, accepting an invitation from the Browning Settlement which he had felt obliged to decline while the bill was still in the region of controversial politics, explained the Act at a meeting in the Robert Browning Hall, which was attended by some four hundred workers, including a number of trade union leaders, on November 20, 1890.

Enthusiasm generated at this meeting led to the calling of a conference of representatives of Trade Union and Friendly Societies in the following month. So live, however, had the question become that the conference which had been devised as a purely local affair, was attended by delegates from practically all the larger cities. A quarter of a million trade unionists ~~were~~ represented there. After the meeting, which was addressed by Charles Booth and had endorsed national pensions, it was resolved to hold a series of conferences of representatives of workers' organizations in other parts of the country. Conferences at Newcastle, Leeds, Manchester, Bristol and Glasgow gave unanimous endorsement to the demand for free State pensions, and the series of gatherings came to a climax at Birmingham on March 25, when a resolution giving a general and hearty support to the principles of Booth was carried unanimously.

Following as it did the unanimous vote of the earlier six conferences, the result of this Birmingham meeting had a significance that could not be ignored. Many of the unanimous endorsements that Blackley had received in his campaign of a generation earlier had come from men who had no electoral franchise; not only did the men of these later conferences possess votes but they were rapidly becoming politically organized and increasingly conscious of their collective weight in the councils of the nation. Still more significant as a social portent was the composition of the Birmingham assembly. In addition ^{to} ~~to~~ representatives of City and Town Councils, School Boards and Boards of Guardians there were 175 delegates from the Manchester Unity and other Orders of Oddfellows, 132 from the Ancient Order of Foresters, 47 representing Co-operative Societies, 170 from trades organizations, and 40 from lesser societies. These were notable symptoms of change.

In each of the districts in which the seven conferences had been held as many local committees were formed to advance the movement in their own area and to combine in a national committee, which took to itself a formidable official title as "The National Committee of Organized Labour (Trade Unions, Trade Councils, Federations of these bodies, Friendly Societies and Co-operative Societies) on Old Age Pensions, based on the principle that every old person on attaining a given age should be entitled to receive a free Pension from the State; and charged with the instruction to promote the legal enactment of this Principle." Public memory was too short to carry such a long name and the body became generally known as the National Pensions Committee.

The personnell of the Committee included several names which later became household words in politics; George N.

Barnes, later a Labor M.P. and a member of the Coalition Cabinet of the Great War; Will Crooks, London County Councillor and one of the advance guard of Labor in Parliament. Margaret Bondfield, first woman Cabinet minister in Britain, Thomas Burt, who lived to be Father of the House of Commons and J.R. Clynes, minister in three Cabinets. Among the members from Northumberland and Durham was Canon W. Moore Ede who had given manful service in propagating the cause, and who after long supporting Chamberlain's contributory pensions threw in his lot with the campaigners for free pensions. Possibly more portentous than any of these names, imposing as they were in the industrial world, was the presence on the Committee of Councillor S. Hudson of Leicester, a much lesser known individual. Mr. Hudson was the official valuer of the great Friendly Society, the Foresters. It would be hard to over-estimate the importance of such a convert at such a critical period in the history of the movement.

The first meeting of the National Committee was held in the Browning Hall on the 9th. of May, and an intensive campaign was launched which continued till State pensions became an accomplished fact. "The change in legislative opinion from the appearance of Lord Rothschild's Committee to the formation of the National Committee was like a change of climate, from arctic to propical", says F.H. Stead, Warden of Browning Hall and Hon. Secretary of the National Pensions Committee. "The Government was pledged to legislate on the question before leaving office and that term was rapidly arriving.....The earliest date on which Mr. Chamberlain said the Government could bring in a measure was next session. In one or two years therefore, legislation was expected." (1a)

There were eager spirits within and without the Committee who were ill-prepared to brook even that delay. Two bills

were introduced early in ¹⁸⁹⁹ 1900. One of them standing in the name
 of Sir Fortescue Flannery, ^{later Sir} a member of the Chaplin Commission,
 occasioned a spirited debate on the motion for the second
 Reading. Chamberlain was the chief spokesman of the Government.
 With the principle of the bill, the Government agreed, he declared,
 and it would gladly have supported the bill on the understand-
 ing that it should be referred to a select committee. After the
 Easter recess, he declared, the question would be referred to a
 select committee and although ^{Flannery's} ~~Holland's~~ bill could not be brought
 before it, the rules of the House forbidding consideration of
 a bill that had not passed the second reading, it would be a
 document of which the Committee could take note.

Although he threw the blame for the failure of the Bill
 to receive Second Reading upon the Opposition, Chamberlain depre-
 cated allowing the pensions question to become solely an instrument
 of political controversy. Members of both parties had pledged
 their support to it. Reviewing the history of the movement, Chamber-
 lain re-iterated his charge that the Rothschild Committee had
 misinterpreted its reference. (2)

The members of that Committee, he said, were instructed
 to find out how encouragement might be given to the industrial
 population to make provision for Old Age and they applied that
 to the whole of the industrial population and not ^{to} ~~to~~ any section
 of it. "If you carry that scheme to its logical conclusion",
 suggested Chamberlain, "you have an absurdity, because if any
 scheme were brought forward, to give Old Age Pensions to working
 men and if one ~~man~~ did not come under it, the Commission under
 this curious limitation would not be able to take it into con-
 sideration. My own belief is that the only way to solve

this question of Old Age Pensions is by approaching it by sections, and that we shall never be able to deal with it as a whole." He went on to show how the Community had actually dealt with Old Age Pensions in piecemeal fashion - by providing pensions for police, civil servants and municipal officials. A change ⁱⁿ to his own attitude became manifest when he urged that it was a mistake to confine assistance in pensions entirely to those who made direct contributions. There were indirect methods and tests of thrift and providence which were just as good as direct contributions. The man who had brought up a family without having recourse to Poor Law relief, the man who had invested a little money in a house was not necessarily less deserving of sympathy and assistance than the man who had contributed so much a year to provide himself with a pension at 65. Chamberlain here was veering perilously close to the position of the free pension advocates whom he opposed, but this was merely the erratic course of the ship that was about to leave the line entirely. The time was at hand when Chamberlain was to be counted lost to the Old Age Pension movement and to be enrolled in the ranks of the indifferent.

Meanwhile the National Pension Committee was hard at work "Propaganda" in Stead's words, "went on full steam ahead." Booth issued a book of 88 pages containing his proposals. This appeared on May 1, 1899, and was followed by a condensed edition as a penny pamphlet. One hundred thousand copies were issued of a pamphlet entitled, "The Case Briefly Stated," the work of George N. Barnes, the first of a succession of leaflets which were the small arms of the campaign.

Three days after the National Pensions Committee was consti-

tuted ,the Congregational Union of England and Wales ,then in session at Memorial Hall,unanimously passed a resolution in favor of Old Age Pensions.A passage in the speech of the seconder of the resolution,Rev.E.Griffith Jones B.A.,made reference to the surprising harmony of opinion that had led so many divergent groups to unite in working towards the same end.

"It seems to me," he said,"that the question has very suddenly and very marvellously come into the open.The Labor leaders are almost as much surprised at the way the matter had shaped itself out during these Conferences as anybody outside. They have looked at each other with a sort of amazement to find each other in line on the matter." (3)

As association with any political party was forbidden by the constitution,propaganda was directed to individuals as members of religious,fraternal and industrial organizations. The following instructions from a leaflet issued to key men in the movement is useful as showing the methods employed:

" First of ^{all} ~~al~~ get to know what is being done ~~to~~^{up} push the Pensions movement in your Trade Union,Friendly Society,Co-operative Society,and in your district.Our organizing secretary,if you write to him,will be glad to give you this information,and to put you in touch with friends of the movement in your circle or neighbourhood.Then begin with organized Labour.In your own Trade Union,local or district,warmly support any resolution enforcing our demand which may come from the headquarters of the Union;and to any inquiry as to local opinion which may be sent from headquarters,see that an answer can be returned in favout of our demand.

"If the first step had ^{not} ~~been~~ been thus suggested,take the

initiative yourself. See that every member of your branch Union has a copy of our leaflet, 'The Case Briefly Stated.' Quantities of this leaflet will be sent free- carriage forward- by our organizing secretaty for the purposes of distribution. Get members to buy a copy of the penny pamphlet by Mr. Charles Booth entitled "Pensions for All in Old Age." Of this, and of other printed matter which the National Committee may issue from time to time, our organizing secretary will supply copies as required.

"Personally approach every official and every member of much influence, and especially everyone likely to misunderstand or oppose the movement. Saturate the membership and the official circle with the idea. Then if, as our experience leads us to expect, the general feeling is favourable, submit to a regular meeting our circular inviting affiliation, and move a resolution approving the demand of the National Committee and deciding to affiliate. See that this resolution, if carried, is forwarded to our organizing secretary, to the local press, to the local Trades Council, to the local Members of Parliament, and to the secretary of your national Union.

"In your Friendly Society take similar steps, so far as its constitution allows.

"So with your Co-operative Society.

"To win over the Trades Council of the neighbourhood, see the secretary, president, and other leading officials personally. Talk over the question with them; leave them plenty of printed matter.

"You will now have formed a local knot of members of Trade, Friendly, and Co-operative Societies who are ready to act together in furtherance of our movement.

"Approach public bodies. Get to know whether the local Board of Guardians has voted on the Pensions question. If you think the Board likely to yield a strong vote in our favour, get an able Guardian to move your resolution.

"Wait upon the editors of the most influential newspapers of any party. Meet them privately as men to men. Lay on their consciences the sad plight of the more than a million aged poor.

"Invoke religious bodies. In the name of the poor and them that labour and are heavy laden, wait upon ecclesiastical leaders such as the chief local dignitary of the Roman Catholic Church, of the Church of England, and of the dissenting bodies. Wait also on the most numerous^{ly} attended and the most influential preachers of any ~~congregations~~ persuasion, and ask them to direct the attention of their congregations to the duty of making better national provision for the aged. Wait in the same way upon every important religious gathering, such as the Diocesan Council and the Free Church Council. If the Church Congress or other denominational ^{Union} should meet in your neighbourhood, approach them where possible through friends of our movement belonging to the denomination. Work through the local P.S.A. federation, and the association of Adult Schools, to secure expressions of sympathy with our demand. These meetings of religious bodies, if you cannot get them to endorse our principle, can hardly refuse to pass such a resolution as that which was unanimously adopted by the Congregational Union of England and Wales in May, 1899. Take care that such a vote is made known widely.

"Caution! Keep yourself carefully from entangling alliances with any political parties. Our demand is not a partisan one. It is supported by men of different parties, and our movement

must be colour-blind to party distinctions. Our appeal is to 'good men in all parties.'

"So long as this is clearly understood there can be no harm in plying local M.P.'s and Parliamentary candidates with questions, arguments, and information; or in approaching local party leaders; or in addressing party meetings.

"Get up local facts. Collect ^{all} ~~all~~ useful information on the problem of Old Age in your neighbourhood.

"Whenever you begin to feel tired of working for this movement, just think what you would do to save one poor old friend, your father or mother maybe, from the shame of the work-house, from the inquisition of Bumble, or the ignominy of private 'charity'. You would not mind putting yourself seriously about for the sake of that one person. Then remember that in this movement you are working to save not one, but at the least one million old men and women from such a fate." (4)

Public opinion aroused by this campaign soon made itself felt once more in the House and on April 25, 1899 pensions were once again to the fore through a motion tabled by Sir William Walrond:

"That a Select Committee of 17 members be appointed to consider and report upon the best means of improving the condition of the aged deserving poor and of providing for those of them who are helpless and infirm and to inquire whether any of the bills dealing with Old Age Pensions and submitted to Parliament during the present session can be adopted either with or without *amendment*" (5)

How far the movement had travelled was shown in the subsequent debate, when the Opposition sought to make capital

against the Government, first by charging it with making Old Age Pensions a political and partizan issue and secondly by procrastinating in facing it. None, said H. H. Asquith had drawn more attention to the scandal of Old Age Pauperism than Chamberlain who was here seeking further postponement ^{of action,} Asquith recalled a speech which Chamberlain had made to the Friendly Societies of the Midland counties whom he had called together at Birmingham to discuss the question on a non political occasion, in which Chamberlain had expressed the opinion that a great scheme such as pensions could not be proposed to Parliament until some Chancellor should come who had a surplus and not a deficit to deal with.

Asquith proceeded to cite another speech of Chamberlain's on the subject delivered at Henley on July 12, when that gentleman cut in with the interposition:

"That was a proposal, not a promise."

"I am deeply indebted to the Right Honorable gentleman for the distinction," ^r retorted Asquith, "I think it will be sufficient to maintain an action for breach of promise."

Asquith went on to remind the House that Chamberlain had said that the scheme could not be put into effect until a Chancellor of the Exchequer had a surplus. Over three years the Government of which Chamberlain had been a member had recorded surpluses totalling twelve million pounds yet nothing had been done towards pensions.

How far Chamberlain was slipping from his allegiance was shown in his reply. Not only did he decline to accept any responsibility for promises made of Old Age Pensions; he challenged the Opposition to name anyone of authority in the Unionist

Party who had promised Old Age Pensions. He went further further. He denied the paternity of the schemes that had been popularly known under his name. They were the schemes of the Parliamentary Committee, he announced. When minutes of evidence given by him before the Aberdare Commission were cited in which he himself had referred to "my schemes", he replied that one did not speak with absolute accuracy on such occasions. Clearly Mr. Chamberlain was lost to the cause he had done so much to advance.

Although Asquith found the proposal a useful whip with which to flagellate the Government, he was no eager Reformer so far as this question was concerned. He expressed pleasure that the question was back to politically neutralized territory which it ought never to have left.

"Many of us are not satisfied that any one of the schemes put forward is either practicable or adequate," he said, while at the same time he protested against "this great social question being subordinated to the petty exigencies of party." (6)

Turning his guns upon Balfour, Asquith reminded the Government leader of the Commons that a card issued on his behalf and delivered to every voter in his constituency of East Manchester had promised Old Age Pensions. Balfour, he declared, had disowned that promise after the election.

There was opposition from supporters as well as opponents of pensions to any further inquiry. Expression to this feeling was given in an amendment moved by George Lambert, M.P. for South Molton, Devon, in these terms:

"That this House considers that further inquiry means unnecessary delay in the fulfilment of the pledges given at the last General Election by members of the Government on the subject of Old Age Pensions."

Similar sentiments were voiced by Henry Broadhurst, the member for Leicester, and an outspoken exponent of Old Age Pensions whose memorandum in the proceedings of the Aberdare Commission we have already quoted.

"This proposal to-night ", he declared, "will carry over the inquiry to the next General Election when we will play the same game again with the election cards that was played at the last election and the people will have to run again for the fulfilment of your pledges. The vine and the fig tree around your own cottage will again be painted and the Old Age Pension will again be brought forward and vamped for another occasion. I was in a district the other day and noticing a great deal of litter and dirt about, I asked the people what steps they took to clear the dirt away. They answered, 'Oh, we sweep it about until we lose it.' Now, that is precisely what you are doing with the Old Age Pensions. You have had four years which have been spent in attempting to redeem your promises and tidying up and now you are sweeping it about trying to lose it until the General Election."

From party loyalty and on the principle that voting for the motion was choosing the lesser of two evils, W.E.H. Lecky, the historian and member for Dublin University, supported the Government, but his speech reads like a bid to wrest the prize for obscurantism from Lock. Lecky was not the first historian who while capable of writing vividly of the past, lacked perception in evaluating the movements of his own day. No scheme was really feasible, he said. It was one of the most dangerous questions ever discussed and it would have been better if the House had not gone as far as it had. Suppose the United States became a Free Trade country

and drove Britain out of her special markets. Suppose cheap Eastern labor took away her cotton trade. Suppose a big war broke out; how would the country face that and at the same time meet the obligations such a scheme would impose on her and which then could not be denied without producing the most terrible social catastrophe? let us note here, that while the United States did not become Free Trade, Britain experienced the other evils Lecky envisaged; the United States and Germany as well did cut into Britain's export trade. Lancashire was soon to feel the competition of low paid workers in Japan and India, and 1914 found her with a big war and a pension scheme; but the latter produced no social catastrophe.

There was still another amendment in the name of J.W. Logan of Leicester: "To leave out all the words after the word "that" and add the words ' having regard to the fact that a Royal Commission and a special committee have within the last four years reported upon the condition of and the providing pensions for the aged poor, this House considers that further inquiry is not likely to shed further light on the subject and the Government should undertake the responsibility of making such proposals as they may deem good."

Logan bluntly accused the Government of proposing the Committee as a means of escaping from the difficult position they found themselves in through Chamberlain's pledges.

Urbane as ever, Balfour arose to quiet what he described as needless apprehensions:

" It must be distinctly understood that the Government do not consider themselves bound to wait necessarily for the Report before bringing forward a scheme. We do not think

that is a necessary consequence".

With a comfortable majority behind it, the Government had its way. The motion carried and the Select Committee was formed. Its members were Henry Chaplin, H.T. Anstruther, C.C. Cripps, Lord Edmond Fitzmaurice, Sir Fortescue Flannery, Sir Walter Foster, A.K. Lloyd, S. Woods, J. Hedderwick, Sir Samuel Hoare, Lionel Holland W.E. H. Lecky, J. Lewellyn, and Sir James Rankin, David Lloyd George and William Redmond. Of this Committee, Flannery, Foster, Holland, and Rankin were already well-known in the movement, each of them having submitted schemes to Parliament and committees of inquiry.

At the first meeting, Chaplin was elected Chairman. Although the Committee awaited the report of another investigating body, the Committee on Cottage Homes, before coming to a final decision, the general desire for a report to be submitted before the close of the Parliamentary session speeded up the work and his expeditious proceedings compare very favorably with the time taken up by the Aberdare and Rothschild committees. While these two earlier bodies took approximately two years to make a series of largely negative findings, the Chaplin Committee which held its first meeting on May 5, 1899, had a constructive report prepared by July 26 of the same year.

With the work of the earlier committees before it, the Chaplin Committee right away cleared the ground of universal and contributory pensions as outside the terms of its reference which confined its attention to the aged and deserving poor without regard to the ability of these to save towards provision for the eventide of life. Another resolution early arrived at was that the needs of the aged and

and deserving poor would not be met in their entirety by any scheme for Old Age Pensions alone and that some provision should be made for them by the reform of the Poor Law administration, in other words, by improved Poor Relief as well as by Old Age Pensions.

Two of the most interesting witnesses who appeared before the Committee were Sir John E. Dorrington M.P and Claverhouse Graham, President of the Old Age State Pension League and a director of the Manchester Unity of Oddfellows. Sir John Dorrington, who was the first witness to appear before the Committee was introduced as the first- and up to that date the only- superannuant of the Stroud Society, described the progress of that and kindred societies. He told the Committee that there were in Gloucester and adjoining counties, 24 societies working on the Stroud principle, with 33,000 members and £300,000 of invested capital. More important still, Sir John announced himself as a convert from the idea of making Friendly Society membership the basis of any pension ^{scheme} ~~scheme~~.

"At one time", he said, " I did think that the State might reasonably add something to the funds of Friendly Societies, that is to say, at the time when the age of 65 had been reached, so as to help them, but on thinking over the question which I have thought over for some years past, I have come to the conclusion that that would be too one- sided an arrangement for the general population of the country to accept. That we should single out one class of society, viz, those who subscribe to a Friendly Society and should say that the State would make them a special gift is a thing that I think would not work. I should ~~xxx~~ be very glad if it ^{would} ~~would~~, but I do not think that politically or socially, it could be carried into effect, that it could

be continued for any length of time-there would be too much prejudice against it." (7)

Clumsy as was Sir John's English, his statement was an invaluable aid to the Committee and as later developments proved, the nation at large agreed with his pronouncement.

Graham's evidence was less clear-cut and delivered in a style which judging from some of the comments of the committee written into the record seems to have tried the patience of his hearers. His mission was another attempt to secure a scheme based on the Friendly Societies, on the very principle which Borington had condemned. Five shillings a week to persons of 65 and over who had no other higher income than £1 a week-thirty shillings in the larger cities- provided they had been 20 years in membership-not necessarily consecutive-with a registered benefit society or trade union- these were the outstanding features in a "bill" which he asserted had the unanimous backing of the League he represented, which had been called into being to secure its passage. The committee at once discounted his evidence when it was discovered that he had no authority to speak officially for the Friendly Societies. What gave importance to his appearance was his declaration that the mind of the societies had changed since the days when they had emphatically opposed Chamberlain and that there was no longer any effective campaign on their part against pensions. (8)

The birth of still another league was heralded by a memorandum sent to the Committee on its behalf calling for five shillings a week at the age of 70 irrespective of any benefits the pensioner might be receiving from any benefit society. This new body called itself the Society for Promoting

Old Age Pensions and it drew most of its adherents from the Northern Counties (9) The memorandum submitted on behalf of this body put the cost of its scheme at £6,500,000 to be divided into two funds, one of £4,875,000 for which the Guardians were to be responsible, the remainder to be furnished by the State.

Chaplin's personal preference at the beginning of the inquiry was for a recasting of the provision made by the Poor Law for the aged, but his fellow members were resolved on dealing with the matter by some system of pensions. On behalf of the Committee the claim was later put forward that every scheme which approximately came within the scope of its reference was considered, but this could only imply extremely superficial examination of the infinite variety of ideas that had currency at that time. At all events, the Committee agreed that instead of adopting with or without amendment any of the measures that had come to the attention of the House, they would devise a plan of their own. The scheme which emerged from the Committee room contained no novel features and it owed a great deal to Sir Henry Longley, Commissioner of Charities, who explained the working principles on which the 250 endowed charity pension schemes administered by his department were conducted and to J.S. Davy, inspector of the Local Government Board who made a trip to Denmark to study that country's pension laws. It proposed to give pensions to all British subjects of 65 and over who for the previous 20 years had not been convicted of any offence resulting in imprisonment and had not been in receipt of poor relief during that period, unless

under very exceptional circumstances(which were not defined) No person with an income of more than ten shillings a week was to be entitled to a pension , but a certificate had to be produced testifying to the efforts of the pensioner to make provision for himself and his dependents in earlier years. Men and women were to receive equal treatment.

Against the advise^c of Longley who urged that the scheme be dissociated from the Poor Law, the Committee proposed that the pension authority in each Union of a county appointed to receive and determine applications should be a committee of not less than six and not more than twelve members to be chosen by the Guardians, from their own number in the first instance, later to be augmented by other members from public bodies within the area of the authority, but with the Guardians at all times constituting a majority.

Pensions were to vary from five to seven shillings a week according to the cost of living in the locality , the Post Office to be the distributing medium. Pension awards were to be subject to revision at the expiry of three years and to withdrawal if in the opinion of the pension authority the circumstances of the case warranted such action. The cost was to be defrayed from the common fund of the Union plus an Imperial contribution not exceeding half the total amount. No estimate of cost was offered , the Committee recommending the appointment of a committee of experts to deal with this phase of the problem.

The committee's report was awaited with the eagerness later generations have associated with the publication of a best seller. The Report was eagerly bought up withing a few hours of its appearance from the press and two fresh editions

soon had to be printed.

Here at last a Committee of Parliament expressly instructed to give a lead to the Government had reported in favor of free pensions. Two chief reasons may be assigned for the remarkable change in the judgment of the Government- one direct, the other indirect. The indirect cause was the Workmen's Compensation Act passed two years earlier, which threatened to bring about, and in some cases had already brought about the earlier superannuation of workers. The direct cause was the mobilization of the working classes themselves in the Seven Conferences and the formation of the National Committee.

In many respects the Chaplin Report was an epoch-making document, but it aroused little enthusiasm anywhere. The close connection of the proposed scheme in origin and personnel with the Poor Law Guardians, violated an age-old instinct of the British worker, and the proposed inquiry into desert was held to be beyond the competence of the State officials who were to be entrusted with it. *the*

National Pensions Committee was critical.
 "We oppose the limitations based on income as well as those based on 'desert'. To refuse a pension ^{to} all persons in receipt of ten shillings a week from other sources is to discourage thrift after 9/11 has been secured. This proviso shows a ludicrous lack of thorough thinking. The difficulties in which the proposals are involved only throw into greater clearness the simplicity, justice and feasibility of our demand for a free State pension for everyone on attaining a given age." (10)

The Trade Union Congress of 1899 was held at Plymouth in the month of September. Resolutions in favor of State pensions were sent to the Congress by Bunley weavers, London barge-builders and building laborers. These were well received and the Congress

by an unanimous vote resolved:

"That in the opinion of this Congress no scheme dealing with Old Age Pensions will be satisfactory to the whole of the workers in this country which makes it a condition of thrift or disregards the inability of a large proportion of the industrious and deserving poor to make provision for the future: that the age limit be 60 years of age, or in the event of a person becoming incapacitated from following his or her employment, the same to take effect from the time he or she became incapacitated; and that the Parliamentary Committee take such steps to make this question one of such prominence as to become one of the most pressing subjects at the next general election."

This resolution with little variation was carried at every Trade Union Congress till Old Age Pensions became law.

Around this Pension resolution at the Plymouth Congress the mutually antagonistic leaders of ^{the} political and industrial world, ^{of Labor} grouped themselves in a unanimity that had previously been little known. This feeling crystallized in the formation of the Labor Representation Committee with James Ramsey Mac Donald as Secretary, designed to aid in the better representation of the workers in the House of Commons. From the seed grew the Parliamentary Labour Party which became the spear-head of the Old Age Pensions movement in the House.

With organized Labor behind it the National Pensions Committee, which already had obtained the backing of the Congregationalists approached the Church of England and the Roman Catholic Church. Dr. Temple, Archbishop of Canterbury, proved himself in advance of most of the Bishops and pledged himself to vote for and speak on behalf of any pensions measure that reached the Lords.

Cardinal Vaughan who had previously called for ^{taxation} of surplus wealth and extravagance to provide Old Age Pensions sufficient to keep the recipient in at least frugal comfort suggested a pension of seven or ten shillings a week to every poor person who applied to the workhouse for aid, but promised to support universal pensions if no other scheme more to his mind was propounded within the next six months (11)

At the Church of England Congress on October 13, 1899, Frederick Rogers, full-time Secretary of the Committee stated the case for pensions before a crowded and enthusiastic audience in the Albert Hall. During the discussion which followed, Canon Blakley, who described himself as "perhaps the first man in England to propose a system of national pensions" showed that he had failed to move with the times, by insisting on contributory pensions and dwelling on the ability of the workers to provide for themselves by greater thrift and less expenditure on beer and tobacco. Canon Scott Holland rejoined that Rogers had answered Blackley in anticipation. Although there was no vote taken, the Committee felt that the Congress was largely in favour of the movement.

It was a general belief that the Government would be compelled to introduce an Old Age Pensions Bill in 1900. The time was approaching when the sincerity of its intentions would be put to the test. Victory seemed to the Committee within its grasp when the outbreak of the South African War diverted the attention of the nation to a grimmer campaign. In this atmosphere of war and disaster, with casualty lists crowding discussion of social movements from the pages of the newspapers, the Departmental Committee of experts appointed to estimate the cost of the Chaplin Committee's scheme issued its report.

This Committee of four under the presidency of Sir Edward W. Hamilton completed its labors on January 9, 1900. In addition to estimates of costs of a scheme which could be put in operation in the following year, the Committee looked ahead for ten and twenty years and presented round figure costs for all three periods.

Estimating the number of persons ^{of 65 and over} in the United Kingdom at 2,016,000, the Committee made the following deductions to arrive at the number who would qualify for a pension:

Those with incomes above the minimum allowed- ten shillings a week (37% in England and Ireland; 35% in Scotland-	741,000
Paupers in England 27%; in Scotland 16%; in Ireland 25%-	515,000
Aliens, criminals and lunatics in the three countries	32,000
Those unable to comply with thrift test 10%	72,700

Total number deducted	66 1,360,700
Pensionable persons	655,000
Cost of pensions for 655,000	£ 9,976,000
Administrative expenses(3%)	299,000
Total	£10,275,000
In round figures	£ 10,300,000

General Summary

Cost of pensions beginning at 65, showing increase in two decades after 1901

1901	£10,300,000
1911	£ 12,650,000
1921	£ 15,650,000

Pensions beginning at 70

1901	£ 5, 950,000
1911	£ 7, 450,000
1921	£ 9,550,000

Beginning at 75

1901	£ 2,950,000
1911	£ 3,700,000
1921	£ 4, 950,000

Significant as showing the force of the impact of a great pension advocate on these highly qualified Civil Servants was the Committee's expression of satisfaction in its announcement that Booth, to whom the figures had been submitted prior to their publication, entirely concurred with their estimates.

This report was ^{really} of much greater ^{practical} value than that of the Select Committee. Now for the first time, the country had before it an estimate of the possible cost of a pensions measure and a fair idea of the expenditures such would involve in years to come.

Under ordinary circumstances this document must inevitably have been the prelude to positive action by a government which had committed itself as the Unionist Government had done. But the still raging war ruled out all hopes of early action. On January 30 was delivered the Queen's Speech which sanguine reformers had at one time looked forward to as that destined to announce an Old Age Pensions bill for the coming session. Instead there was a curt declaration:

"The time is not propitious for any domestic reforms which involve a large expenditure".

CHAPTER SEVEN
Notes and References

- (1) Stead: How Old Age Pensions Began to Be; P 67
- (1a) Ibid: P 67
- (2) Hansard: Parliamentary Debates, vol 69 (Fourth Series)
P 62. March 22, 1899
- (3) Stead; How Old Age Pensions Began to Be PP 67, 68
- (4) Hints for a Helper (National Pensions Committee
Pamphlet, 1899)
- (5) Hansard: Parliamentary Debates vol 70 (Fourth Series)
P 430
- (6) Ibid P 413
- (7) Report of ~~Steele~~ Select Committee on the Aged and
Deserving Poor 1899 ; Minutes of Evidence P 10
- (8) Ibid P 91
- (9) Ibid P 78
- (10) Stead: How Old Age Pensions Began to Be P 81
- (11) Ibid P86
- (12) Report of the Departmental Committee on the Financial
Aspects of the Proposals made by the Select Committee of
the House of Commons of 1899 about the Aged and Deserving
Poor ,1900 P48

CHAPTER EIGHT

War issues all but submerged social questions in the General Election of 1900, despite the National Pensions Committee's attempts to have the question of Pensions put squarely to every candidate.

"Ours was a campaign of education, not a campaign for seats ", wrote Stead. "The oyster of the average elector's mind only opens during a General Election; and we used the opportunity to insert as much of our fact and claim as we could. When the next General Election came, our pabulum was seen to have been well assimilated." (1)

The Unionist Government swept into power in a rising tide of warlike fervour, was opposed to universal pensions and had ample excuse in the war still raging for its failure to implement its former vague undertaking to deal with the matter in some concrete fashion.

Not all in the Ministerial Camp felt happy over the truncated record of the Government in this issue. Expression was given to this feeling at the National Union of Conservative Associations when amid the jubilation over the victory a resolution was passed, which among other things contained a hint of censure for the Government's lassitude on Old Age Pensions. The mover of the resolution H.S. Foster said:

" they were continually asked why in the past five years nothing had been done to legislate on the subject." The answer to experts was simple. They knew how full of difficulty the question was and that the Government had not neglected inquiry. With those however, who were not experts a long and categorical answer was not always appreciated ; and the result was that many good

friends had lost their seats on that one question alone in the rural districts.¹¹(2) When a party which had won such a signal triumph as had the Unionists in the Khaki Election had to admit casualties on this count alone, Old Age Pensions was approaching the status of a major political issue. When the Commons assembled after the election, they found themselves bombarded by resolutions from Trade Councils in all the important industrial centres insisting on free pensions without forfeiture of civil rights.

Pension legislation in other parts of the Empire again gave a filip to the cause in the Mother Country. On December 11, 1900, an Old Age Pensions Bill became law in New South Wales, giving a maximum weekly allowance of ten shillings to all over 65 years of age who had no other income. Nine days later, the sister colony of Victoria swung into line with an Act giving seven shillings a week at 65 and also to persons under that age who were incapacitated by unhealthy or hazardous occupations.

The effect of these laws was ^{to} spur advocates of Pensions in Britain to greater activity in spite of the uphill fight in a war mentality that was unfavorable even to the consideration of social reforms.

Following the Trade Union Congress came an expression of opinion from another great worker's institution, the Co-operative Congress, representing 10,000,000 members which on May 28, 1901, unanimously endorsed the demand for State pensions.

With these two citadels fallen, it was only a matter of time before the Friendly Societies, the membership of which was so largely interlocked with that of Trade Union and Co-operative Society should capitulate. It was to this triumvirate that Mr. Chamberlain had appealed, to "the thrifty and provident working men who put their

savings in Trade Union, Co-operative Society and Friendly Society."

In the fact that Friendly Society officials belonged in the main to the middle class, and shared the views and predisposition of that class lies the explanation of the lag of these bodies on pensions as compared with Trade Union and Co-operatives. Again, the leaders and officials of the two latter were sprung from the latter class and more directly responsible to working class opinion. As a rule the trade union leader rose to his position from the bench; the Friendly Society chief, on the other hand was drawn from the ranks of actuaries and kindred professions less directly in touch with the daily life of the worker. We have already referred to the conviction in many quarters that the leaders in the Friendly Society world, were out of step with the rank and file in their objection to State pensions unless on the bases of operation through their organizations. It was left to Chamberlain unwittingly to bring out this phenomenon in an unmistakable light. Finding time from his military and Imperial pre-occupations to address the Annual Conference of the National Order of Odd-fellows in Birmingham on May 29, just one day after the Co-operatives declaration, Chamberlain took advantage of the opportunity to renew his plea for a combined State and Friendly Society pension scheme. Calling for freedom of the movement of all political complexion, he urged the Societies to frame a Bill and present it to the Government. Once again, and for the last time, the fight for pensions centred round the Friendly Societies: an adverse verdict from this quarter must inevitably be a serious check to the movement for National Pensions. The National Committee got to work and printed 100,000 copies of a counterblast to Chamberlain. 'Why we should not Subsidize the Friendly Societies to get Old Age Pensions.'

This leaflet was placed in the hands of every member of the House of Commons; every clergyman in Scotland received a copy and great numbers were circulated among Friendly Society members, while it was largely reprinted in the columns of leading newspapers. The dynamic effect of this leaflet justifies its insertion here:

" 1. Because the population of the United Kingdom is over 40,000,000, and the number of members of registered Friendly Societies is, according to the latest official return, only 5,217,261 it would be unjust to tax forty millions to endow five.

2. Because upon their own valuation, based upon their own figures, many Friendly Societies are insolvent on their Pension side, and it is bad statesmanship to endow financial insolvency. At the last published valuation of the Manchester Unity- the most stable of all Friendly Societies- it was shown that 55.14 per cent. of the lodges have an actual deficiency- that is to say, would not, according to Government actuaries, be able to meet the demands which might be made upon them. In 31 per cent. of the lodges it was proved that the proportion of assets to liabilities is less than 90 per cent. In Stepney (a district consisting almost entirely of the working classes) 26 lodges out of 46 were proved by the Unity's actuaries to have deficiencies. At the last published valuation of the Ancient Order of Foresters 76½ per cent. of their courts showed estimated deficiencies. According to the Treasury Committee there are 28 Friendly Societies with a membership of 2,214,620, and with 21,293 branches. Of these branches 12,448, or 58 per cent., show a deficiency. If the State endows Friendly Societies it must guarantee their solvency, control their management, and ipso facto create a privileged and pauperized class.

3. Because in many parts of the United Kingdom Friend
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Societies do not exist. In districts where wages are very low they do not flourish. The reason is obvious. The men whose weekly wages are insufficient for their weekly needs cannot find the money to pay into a Friendly Society. These being the poorest, would need an Old Age Pension most, would pay their share of the tax to provide it, and- through no fault of their own- could make no claim to it.

4. Because a large number of people are unable to join a Friendly Society as they cannot "pass the doctor." But they might live as long and fulfil the duties of citizens as completely as other persons, and would also pay their share of the tax to provide Pensions. So we should have those who were- by medical verdict- not of sound health obliged to pay for the Pensions of the healthy, and debarred from Pensions themselves.

5. Because a large number of the worst paid of all workers, namely women, are excluded from many Friendly Societies because they are women, and from many others because their wages are too low for them to afford the subscription.

6. In a word, because it would mean taxing the ill-paid labourer to pension the well-paid artisan, taxing the weak to pension the strong, taxing women to pension men, taxing the many to give a privilege to the few.

7. Because the only equitable system of Pensions is that which draws the Pension fund from local and Imperial taxation combined. To such a fund all would contribute in the days of their vigour, and from it all might claim in the days of ~~the~~ ^{their} decrepitude. (3)

The last great barrier among workers' organizations gave way in March of the following year, when the National Conference of Friendly Societies met at Manchester and gave answer to Mr. Chamberlain's appeal:-

"There were present at the Conference representatives of 33 societies with a total membership of 3,670,798, and funds of £ 26,522,864. The debate on Old Age Pensions, began by Mr. W. C. Bunn, of the Hearts of Oak Society, London, moving a resolution affirming that 'it is the duty of the State to provide a scheme of Old Age Pensions, commencing at the age of 65, of not less than five shillings a week, and that to entitle any person to such pension he must show that he has been a member of a thrift society for at least 20 years! Mr. Pembury, of the Bristol Foresters, moved as an amendment, 'That, in the opinion of the National Conference, State-aided pensions would be detrimental to the best interests of Friendly Societies.' The amendment was defeated by a majority of two to one. Mr. Duncan, of the 'Rationals,' then moved a further amendment, 'That this Conference representing three-and-a-half million members, is of opinion that it is the duty of the State to provide an old age pension of not less than five shillings a week to all thrifty and deserving persons of 65 years of age and upwards who are unable to work, and in need of the same, and that such a scheme shall place no disability of citizenship upon the person claiming the pension, and that the cost of the same shall be raised without any interference with the funds of the thrift societies.' This was accepted by the Hearts of Oak, and became the substantive resolution, and was finally carried by the Conference by a majority of three to one." (2a)

Inspired by this substantial support from a long antagonistic section of public opinion and in the hope of securing a place for Pensions in the Budget of 1903, a Bill providing free pensions for every aged person was drawn up by the National Committee and backed by a number of Liberal and Labor members, chief among whom was John Burns, who was soon to become the first Trade Unionist to attain

Cabinet rank.

But this bill fared badly in the private members ballot and was allotted a place so distant as to be hopeless of being brought into the House. This disappointment was partially mollified by the place attained for a pensions bill in the name of Mr. Remnant, a Unionist M.P.

Before Remnant's Bill came up for consideration, the cause was reinforced by the return of Will Crooks, the Labor Candidate at Woolwick after a by-election in which Old Age Pensions was made a test question by Crooks and his opponent, an executive of the Liberty and Property Defence League, an organization which had set its face like a flint against pensions. Crooks in the usual election night speech of thanks, declared the result to be an overwhelming mandate for Old Age Pensions.

When Remnant's bill, - one of three ~~that~~ that year and a proposal to authorize the Guardians to pay pensions of 5/- or 7/- a week to poor people at the age of 65 - came up for the Second Reading, Mr. Chamberlain made the candid admission that the scheme so long associated with his name, had been definitely rejected by public opinion and was now a dead question. But pensions, he went on to say, were not dead, and the chief obstacles were not insuperable. The difficulty was to know where to find the funds, the ten millions the Chaplin scheme, for example, would require. Mr. Chamberlain's solution was simple. Import duties were to be the source; and from that day Old Age Pensions and Tariff Reform were inextricably bound together in the mind of that great statesman. (2d)

Although the Government had a surplus, at that time unvoted away, Chamberlain made no reference to the fact, that the opportune moment to which he had looked forward in his famous speech

to the Friendly Societies, when a Chancellor of the Exchequer would have a surplus. Pensions by way of Tariff Reform, meant Pensions after Tariff Reform. The surplus was used to reduce the income tax and Remnant's bill passing the Second Reading without a division was then quietly shelved.

When Parliament met in 1904, supporters of Pensions, who maintained the activity in raising the question before the House, an educative procedure rather than with the hope of inducing a decidedly unsympathetic government to enact a Pensions law, nevertheless sent in an amendment to the King's Speech, submitted in the name of Henry Broadhurst, regretting the omission of pensions from the King's Speech. This amendment was not discussed for the introduction of two Pensions Bills under the rules of the House, forbade other discussion of the principle.

Walter Long, president of the Local Government Board, answering a question from the floor of the House, announced that the government was unable to give effect to the recommendation of the Select Committee on the Aged Pensioners' Bill. In spite of this danger two bills were introduced, one by Sir James Rankine, now one of the veterans of the movement, and one in the name of J. Goulding a Wiltshire member. Goulding in moving for Second Reading reminded the House that every candidate in all the by elections of the previous twelve months pledged support to pensions and he drew attention to the backers of his own bill, who represented Radical, Irish Nationalist, Unionist and Conservative shades of politics (4)

John Hutton who seconded spoke of the dread of old people of his Yorkshire constituency and the North of England generally of the Poor Law and told of workhouses of which he knew in which aged, sane and insane poor were herded indiscriminately.

He had known of workhouses in which the imbeciles pulled the clothes off the old people's beds at night.

In quite a different strain was the speech of Sir Carne Rasche who declared that he would vote against the bill in an effort to stave off further taxation on agricultural land, which he asserted would send him, and his friends to the workhouse. But the most notable speech in a desultory debate came from Sir Michael Hicks-Beach as representing the financial intelligence of the Government. Hansard's transcription of his remarks is as follows:

"He thought this House ought to be honest. Did any of them believe it was possible for an Old Age Pensions scheme to become law? There was much that would dispose many of them to vote in favor of the principle of Old Age Pensions on the ground of sentiment; but the more the subject had been examined, the more impossible, to his mind, it had become to carry out any scheme consistently with any possible charge that could be put on the ratepayers or the taxpayers. If that were so, he thought they owed it to the people of this country that they should have the courage of their convictions. If they believed the scheme impossible, they ought to vote against the Second Reading of the Bill." (5)

Sir Michael's eloquence was unavailing. The bill was read and committed. There was no hope of its becoming law, but a majority of the House had declared themselves in favor of a pension law. This agitation which had advanced a great deal in the country was slowly but surely having its effect in Parliament. But the Government was immovable.

It was this Ministerial lethargy which made men think of Disraeli's description of the Crown as the ally of the common people against oppressive nobles and legislators. Many eyes turned in the direction of the Royal initiative and Rogers, the secretary

of the Pensions Committee appealed past the Ministers to the King. The appeal was published in the Morning Post and was afterwards submitted to the King who acknowledged it but referred the writer back to the Government. Roger's letter ran as follows:-

"Sir,- Will you permit me through your columns to draw the attention of politicians and the public to the condition of our aged poor, and to remind the former of their numberless promises to reform that condition by enacting that pensions for the aged shall be substituted for poor relief? I am well aware that to go into the political arena and to ask that those who govern us shall find time to address themselves to a simple act of justice is to be very much like the voice of one crying in the wilderness. I know that aged men and women who are tottering along the paths of poverty to the friendly embraces of the grave can bring no political capital to any Party, and that the only grounds on which an appeal to make easier their few declining days can rest are those of justice and humanity. And, knowing these things, I still urge, with all the strenuousness in my power, the claims of the poverty-stricken aged. The old facts remain facts still. The last return of 'persons in receipt of relief' moved for by Mr. Burt, M.P., and ordered by the House of Commons to be printed on the 28th of March, 1904, shows no improvement of the condition of things revealed by a similar report made ten years before, but, on the contrary, shows a slight change for the worse. It has not ceased to be a fact that, of men and women of our nation over 65 years of age, nearly two-thirds are in want, and we know the way to remedy the evils we deplore.

"All political Parties alike have, in a greater or lesser degree placed themselves on the side of Old Age Pensions, and the House of Commons has twice affirmed the principle without a

dissentient vote. The Conservative Party is pledged up to the hilt to this reform and has always shown itself sympathetic thereto, the majority of Liberals are in agreement with it, and the Labour Members regard it as an essential plank in their platform. We know what public opinion is on the subject: it has been expressed in every possible way. All the old bogies and stumbling-blocks are cleared out of our path. Nobody even professes to believe now that a pension of 5s. a week at 65 will destroy any of the thrift instincts in young people of 21. The idea of endowing the Friendly Societies is as dead as Queen Anne. The last two reports of His Majesty's Commissioners of Inland Revenue show no decrease in the national wealth, and the possibility of Old Age Pensions is as entirely proved as is the justice of them.

"And the great political machine goes grinding on, and the result is 'Words, words words.' 'We mark time in this place, nothing more,' said a Member in the House of Commons to me the other day, and he spoke true. If, then, the Great Assembly fails us- and it is failing us for all practical purposes--where shall we look for the voice which shall authoritatively declare the convictions of the nation? In that power which before any other typifies the continuity of our national life, and which stands above the petty strifes of partizan politics - in the Monarchy itself. It is the glory of the English Monarchy that it is the living embodiment of those great constitutional principles which the nation holds supreme. More than once during the last half-century, acting strictly in accordance with constitutional precedent and constitutional principles, it has been a peacemaker amid the factions of politics, a power that has evolved order from the chaos of political strife. The popularity of King Edward, the seventh with every class of his subjects is the

most assured fact in English public life. The effort to make easier the closing years of His Majesty's aged subjects is unlimited, and ever has been with political Parties; it is simply an effort for social justice, upon which the majority have agreed. Mr. George Barnes, Secretary of the Amalgamated Society of Engineers, said recently: 'Old Age Pensions were discussed in the reign of Edward, the sixth; I hope we may see the discussion come to fruition in the reign of our justly popular King Edward the seventh.' Most heartily do I echo his words. From the failures and broken promises of political partizans we turn to that other power which, because it is based upon ancient and inviolable principles which find their life in the life of the nation, can exercise an influence as constitutional as it is far-reaching, abiding and real. - Yours, etc., Frederick Rogers, Secretary of the National Committee of Organized Labour." 6

With a General Election imminent, the Committee redoubled its efforts. "The Nonconformists' conscience" made itself felt in a manifesto issued at the request of the Pension Committee to Dr. R.F. Horton, President of the National Council of Free Churches during an election in the constituency in which he lived-Hampstead. The views of the leaders of the religious world of Britain, Archbishop Temple and Archbishop Davidson, Cardinal Vaughan and Dr. Horton, all favorable, were issued in printed form by the Committee. Following a request in a circular letter sent out by Rogers, a majority of the Friendly Societies passed a resolution of protest against delay in dealing with pensions. This was sent to the Prime Minister and the Chancellor of the Exchequer. The Trades and Labor Council of Coventry, taking a leaf from the book of Chaplin who had publicly suggested a duty of

a shilling a bushel on corn as a means of ~~d~~^dfraying part of the cost of pensions , urged Chamberlain to make Pensions definitely a part of the Tariff Reform programme. Chamberlain declined and a month later with the passing of the Balfour Government went the last chance of the party which through Chamberlain himself, through Chaplin , Ritchie , Collings in active politics and Booth in non- political effort, had done so much of the preliminary work in bringing the nation face to face with the facts, to make Old Age Pensions a law of the land.

Pensions were not on the official programme of either of the two leading parties in the 1906 Election. With the Labor party, the demand for the reversal of the Osborne decision on Trade Union political levies came first; in second place on the party programme came Old Age Pensions. Although private members particularly in the Liberal party were volub~~e~~ in discussion of pensions, Asquith , two years later in introducing the Budget which made provision for Pensions was able to boast:

"His Majesty's present Government came into power and went through the last general Election entirely unpledged in regard to this matter." (6 a)

Before Parliament met, however, the new Government had the question of pensions brought before them by a deputation from the Parliamentary Committee of the Trade Union Congress including W.J. Davis, whose intolerance of ~~a~~l forms of contributory Old Age Insurance had brought him into prominence, ^{which} waited on the Prime Minister and the Chancellor of the Exchequer, and urged free

State Old Age Pensions. No previous Government had received a pensions deputation so kindly; yet little headway was made. Sir Henry Campbell Bannerman expressed himself in full agreement with the deputation and as in accord with Davis' argument that State pensions would promote rather than hinder thrift. The whole question, he said, resolved itself into one of finance and he turned the deputation over to his Finance Minister.

Asquith, while equally sympathetic, candidly admitted that the money for any such law was not available. "For the moment," he added, "I tell you frankly I do not possess it and I have no reasonable expectation of possessing it." Reduction of prevailing expenditure to bring the nation's finances into a healthier condition, he urged, was the first and most important step towards social reform.

Despite this gloomy pronouncement, the outlook for pensions was brighter than before. Besides a substantial number of rank and file Liberals, reinforced by not a few in the sadly attenuated Unionist ranks, all pledged to pensions, the two minor parties, the 83 Nationalists and the 29 Labour men were a unit on this question. More than half of the speakers on the Government and on the Opposition side of the House mentioned Old Age Pensions during the debate on the Address. George N. Barnes who in the Labor Party's division of duties had been specially entrusted with the brief for pensions urged that the time was ripe. Speaking after a strenuous campaign of electioneering, he gave it as his opinion that no other question so stirred the imagination of an audience in any part of the country, and no question excited so much interest in the minds of politicians on both sides of the House. He begged the Government to deal with the

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matter at the earliest possible opportunity.

Horatio Bottomley, then in the heyday of his popularity with the English workman, saw irony in the fact that the country could coolly and deliberately go to war and spend £250,000,000 for the benefit of the English residents in the Transvaal and a mongrel crew of oriental and cosmopolitan financiers and plutocrats and yet they were told that the money could not be found for Old Age Pensions - "I will undertake to show at least fifty ways in which I could find every penny required" declared Bottomley. Bottomley again talked pensions on February 26, when he asked for an estimate of the cost of a scheme that would give five shillings a week to all old people over 65. In reply, taking the figures of the 1901 census, Asquith stated there were 2,018,716, who would qualify for pensions, at an annual cost of £26,225,000. (7)

On March 14, the House of Commons gave up an entire evening to a debate on a resolution of the Labor Party, "That in the opinion of this House, a measure is urgently needed in order that out of funds provided by taxation provision can be made for the payment of a Pension to all aged subjects of His Majesty in the United Kingdom."

James O'Grady, Labour M.P. for Leeds and later a Governor of Tasmania, who opened the debate drew a picture of Britain being left in the rear by all countries save Russia as regards treatment of her aged. Speaking as one of a large number of members fresh from an election and in close touch with the mind of the poor on the subject, he urged the government to supplement the death duties by "life" duties as a means of financing the project.

Wilkinson's idea of graduated income tax as a means

which was looked to by a considerable number of pensions advocates as a source of the needed funds was proposed by the seconder of the motion, Grove, Liberal Member for South Northamptonshire.

Asquith's speech was encouraging. He announced that the Government would not oppose the resolution. Not merely was there no reluctance on the part of the Government to accept the principle of the resolution. On the contrary he said, "there is the strongest and keenest possible desire by every means we can find to further the object the Hon. Gentleman has in view."

The Chancellor went on to picture the two most tragic figures of his day, "the man who wants work and cannot find it, and the man who is past work and has to beg for his bread and his bed" - constituting a standing reproach to civilization and a perpetual problem for statesmen. Illustrating the difficulty of enacting pensions, Asquith pointed out that in ten years the annual national expenditure had increased by forty millions. Retrenchment of this expenditure was a necessary first step, but he so added, "I am not without hope. The Government hope not at once but gradually and I hope effectually to make some progress towards the solution of this problem."

So much for the constructive aspect of the debate. On the negative side, Mr. Asquith killed once and for all any hope of the Chamberlain remnant that a contributory scheme would be adopted. There was no intention of adopting a contributory pension scheme, he said.

Further encouragement came from John Burns. As he put it, "the Government had accepted the resolution with the provision that means should be found to attain the end." His conclusion

presented the rather curious spectacle of a Cabinet Minister urging other members - those who favored pensions, "to bring upon the government such sufficient, reasonable, disciplined and well organized pressure as would compel, or better still, persuade them to begin some form of Old Age Pension."

The resolution was carried without a division. Cabinet and Commons were committed to Old Age Pensions.

There was jubilation in the Pension Camp, but Ker Hardie said he was too old to be satisfied with pious resolutions. At his age he preferred Acts.

Large industrial conferences held at Wakefield and Plymouth reiterated the need of crystallizing the good resolutions into Acts on the statute book.

Hardie's gentle cynicism was more than justified when early in the following year, the King's Speech was once more silent on Pensions. Barne's promptly moved an amendment: "But we humbly express our regret that your Majesty's advisers have not seen fit to include among the measures promised for this session one making provision of an adequate pension for the aged poor." (7a)

Recalling the wholesome change of public opinion which during his own lifetime had led to the stoppage of exploiting children of tender years in industrial pursuits, and to giving them an education to fit them for the battle of life, Barnes urged that pensions were merely a belated act of justice towards the victims of conditions antecedent to this partial humanizing of industry. He knew of no more pathetic figure than that of the old man or old woman physically and prematurely worn out by long incessant and under-paid toil, but who with spirit still unbroken continued dependent on their daily work for their daily bread.

Their number was constantly increasing and the proportion of workers whose welfare in declining years was looked after by pat-

-ernally-minded employers was yearly becoming smaller as the human element was being eliminated with the coming of joint-stock companies and syndicates. A hundred and seventy-three thousand Imperial pensioners had cost the country £ 7,903,000 in 1906, to say nothing of 25,000 returned Civil Servants and municipal officers on pension. Less than half a million indoor paupers were being maintained at an average cost of 12/3 a week, more than double the sum proposed for the aged. He was impatient of questions as to where the money was to come from. When it was a question of prosecuting the South African War, there was no pause to discover a source of money. There was plenty of wealth available for taxation he pointed out. From 1906 till 1907 nine men had died leaving estates worth £19,320,000; forty-six persons had left £78,577,690. He closed by inquiring what Mr. Asquith intended to do with his anticipated surplus.

John Hodge, another Labor member who seconded the amendment, asserted that four-fifths of the membership of the Commons was pledged to Old Age Pensions. (18)

The Labor Party had intended to push the matter to a division which in a House four-fifths in favor of pensions might have proved awkward for the Government. Leading the House in Bannerman's absence, Asquith succeeded in stalling Labor off by a sympathetic and convincing speech. It was not desirable to make specific promise, he said, until they could see their way with a greater degree of clearness. He could not conceive of an object dearer to Parliament than Old Age Pensions. There were difficulties, but he agreed they had been exaggerated. Consistent with the retention of Free Trade there were only two ways by which a practical solution could be found - by economies in other expenditures and by considerable readjustment of methods and objects

of taxation. For himself and speaking for the Government there was no object within the sphere of social reform more desirable than the establishment of a really effective scheme of Old Age Pensions even though they had to start on a small scale, so long as it was in lines financially and socially sound for future development.

Such a statement from a Chancellor who it was known had an as yet unannounced surplus meant but one thing: Old Age Pensions were about to become an accomplished fact. (7c)

Commenting on the fact that this debate showed that a brighter era was at hand, John Burns pointed to the change that had come over the advocates of pensions. The all or none attitude of supporters of compulsory pensions had gone into the discard with the all at-once attitude of supporters of universal pensions; both abandoned in favor of an instalment plan in proportion to existing means and opportunities.

The Budget statement was made on April 18 to a House seething with excitement and with every available inch of space occupied by members and spectators. Asquith announced an estimated surplus of £3,233,000. Disposal of this surplus was to be in two main directions, relief of income tax and a scheme of pensions for the aged poor who, as Asquith put it had the most serious and most urgent demand of all upon national finance.

"I shall have in hand next year, free and earmarked for the purpose the £1,500,000 to which I have just referred, together with the uncollected arrears of this year's income tax amounting to £750,000 which will make a total of at least £2,250,000 and an additional sum from the increased Estate Duties."

Considering that this announcement heralded the imminent enactment of a reform that had been urged for more than

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a century, there was a surprising lack of enthusiasm. There was considerable criticism of the division of the surplus between the income tax payer and the aged; there was likewise disappointment that the passage of a Pensions Law had to wait at least one Session longer.

The result was that the House was called on to consider a measure put forward as a private bill by a supporter of the Government which purposed to anticipate ~~that~~ Government's own announced intentions. The measure put forward by W.H. Lever, the famous soap manufacturer came up for second reading on Friday, May 10 and occupied the entire sitting. Friday was and still is a day when attendance falls off, but so great was the interest in Pensions that a large number of members were in their seats and the galleries were well filled when Lever rose to move for second reading. He said:

"The position of Chancellors of the Exchequer in the past reminds me of the husband who was always complaining that his wife's continual cry was 'money, money, money'. A friend asked him 'What does she want it for, and what does she do with it?' 'I have not the slightest idea' answered the husband, 'but I take precious good care that she never gets any.' The Chancellors of the Exchequer had certainly taken precious good care that no money was ever available for the purposes of Old Age Pensions."

Lever's bill called for an outlay far beyond what the Chancellor had available, but he had very clear ideas as to how the money was to be raised. He aimed at providing weekly Old Age Pensions of five shillings in three successive instalments: in the first year to all above 75, in the second, to those above 70

in the third to those above ~~£~~ 65; the cost being estimated at from five to six and a half millions, from thirteen and a half millions and from eighteen to twenty millions respectively; nine-tenths of these sums to be met from the Imperial Treasury- to be raised by a graduated income tax starting at incomes of a pound a week, and the remaining tenth to be supplied from local rates. The scheme was to be divorced from the Poor Law and to be administered by the registrars of vital statistics.

Pensions given as a right and not out of charity or pity was the text of Sir Francis Channing, a member of the National Pensions Committee in seconding the Bill(8).

John Burns on behalf of the Government accepted the principle of the Bill and when Harold Cox, a Liberal but totally out of touch with his colleagues in this matter, divided the House on an amendment, he found but nine members to accompany him to the Lobby (9).

This vote was merely a gesture. The Bill was quietly dropped, but the discussion showed that by far the majority of the House, reflecting the mind of the country, was ready for action. Two by-elections at Jarrow and Colne Valley occurred at this psychological moment and in both cases the Labor candidate was returned over Liberal and Unionist opponents, the winners in both cases making excellent political capital out of the alleged unnecessary delay of the Government.

By the winter of 1907, three streams of propaganda

were in full spate: the National Committee with a series of meetings and demonstrations; the Trade Union Congress through its Parliamentary Committee and the Labor Party, both from conviction and expediency, playing a winning card for all it was worth. Last but not ^elast a doughty champion who if far from persona grata with any of the governments of the period was nevertheless one whom no government could altogether ignore, lined up with the demand for pensions.

Following an article in the Westminster Gazette of November 23, (10) which suggested that since there could be no more available for pensions that ⁿfive or six millions at the most and that the State, since it would not and could not pay pensions to all the aged poor must perforce confine the benefits to the deserving necessitous, George Bernard Shaw leaped into the fray with the following letter:

"Here is a huge accession of sound insurance business waiting for the Friendly Societies when Old Age Pensions come. But there must be no doubt that Pensions will inevitably come at 65. They must be as certain as death itself to secure the societies and give confidence to the insurers. That is why all nonsense about deserving cases and the like must be dropped. If you come to that, we none of us deserve Pensions. All have sinned and fallen short of the glory of God. The murderer whom we condemn to penal servitude for life has his five shillings worth of food and lodging, and more

to boot. For what extremity of undeservingness would our Pharisees deprive the worn- out laborers of as much?

" More fatal than either of them would be an attempt at a negative or timidly stingy policy. It is possible- it is even respectable, however obsolete and impracticable - to raise the banner of No Old Age Pensions and go down with the old Whig flag nailed to the top- gall- ant. It is clever and feasible to raise the cry of Old Age Pensions at the expense of the Foreigner through Tariff Reform. It is easy , as well as obviously expedient and honest , to raise the cry of Social Reform Purchased by Social Wealth, and to convert idlers' incomes into labor- ers' Pensions and grants in aid of the rates. But, believe me to do what is suggested in your issue of Saturday, is at this time of day to walk off the map of Europe (11).

While all this agitation was under way with speeches and memorials there was at all times present the sense that the last word had been uttered and that the nation was simply waiting on the government to do its will.

When the King's speech at the opening of the session of 1908 announced the forthcoming submission of an Old Age Pensions measure, His Majesty spoke the mind of a nation. It was a Government which did not contain a single conspicuous advocate of Pensions

that carried into law the measure granting five shillings a week to aged persons over 70, who had less than thirty- one pounds ten shillings a year. No effective organized resistance was made by the Opposition, Balfour's speeches being so vague that Asquith humorously announced that after listening to them, he did not know whether Balfour would go into the Aye or No Lobby (12). It was left to a small group of individualists, whom Lloyd George described as the " new anarchist party" (13) to put up a feeble attempt to stop the march to victory. The huge majorities recorded when divisions were forced showed a House thoroughly intune with the mind of the country; indeed the only occasions when the Government had any anxiety were when it lagged behind the feeling of the House, as for example when in Committee Lloyd George was forced to capitulate after resisting an amendment put forward by Barnes to eliminate the clause which restricted the pension to three shillings and ninepence a week. No fewer than 22 amendments offered by men of all parties testified to the strong feeling on this matter. As for connection with the Poor Law, that phase was settled before the bill was drawn up. With the struggle between the two Houses over amendments made in the Lords' Committee this study is not concerned. The passage of the measure substantially as it was desired was seen as inevitable from the first. The long years of seemingly fruitless speeches , still born Bills, abortive schemes and incessant agitation came to a triumphal conclusion.

Chapter Eight

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Notes and References

- (1) Stead: How Old Age Pensions Began to Be. P 105
- (2) London Daily Telegraph December 19, 1900
- (2a) Stead: How Old Age Pensions Began to Be. P 130
- (2b) Parliamentary Debates vol 105 P 473 (Fourth Series)
- ~~(2c)~~
- (3) Why We Should not Subsidize Friendly Societies
(London) 1901. National Pensions Committee pamphlet.
- (4) Parliamentary Debates vol 134 (Fourth Series) P 675
- (5) Ibid P 678
- (6) Morning Post (London) Quoted by Stead P 191
- (6a) Parliamentary Debates vol 172 (Fourth Series) P 119
- 1907
- (7) Parliamentary Debates vol 174 (Fourth Series) P 687
- 1907
- (7a) Parliamentary Debates vol 176 (Fourth Series) P 678
- ~~Ibid P 688~~
- (7b) Ibid P 688
- (7c) Ibid 718
- (8) Parliamentary Debates vol 170 (Fourth Series) P 470
- 1907
- (9) Ibid
- (10) Westminster Gazette November 23 1907
- (11) Bernard Shaw in letter to Westminster Gazette
- Nov 25 1907
- (12) Parliamentary Debates vol 190 (Fourth Series)
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- (13) Ibid P 584.

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