

### III. CONDITIONS OF SCHEME SEVERALLY EXAMINED

#### 1. BRITISH NATIONALITY.

11. We take the three parts of the United Kingdom separately.

##### (1.) *England and Wales.*

12. Out of a total population of 29,003,000 in 1891, there were, according to the census of that year,\* 198,000 persons born abroad who did not describe themselves as British subjects. It is probable that a few of these omitted so to describe themselves by inadvertence. We, however, have no alternative but to regard them all as aliens, though we may thus be rather over-estimating the foreign population in this country. The census tables (Census, Vol. III., p. xxxix)† give the ages of the European foreigners only, who numbered 169,000. Of these 5,600 were stated to be over 65 years of age, or 3·3 per cent. If that percentage be applied to the total foreign population in England and Wales (198,000), the total number of aged aliens would be 6,600; and 6,600 represent 48 per cent. of the total number of persons over 65 years of age, who were reckoned to amount to 1,373,000. There are no later statistics respecting aged aliens; and so we propose to assume that 5 per cent., or 1 in every 200, of the number of persons otherwise pensionable would be excluded on the ground of foreign nationality.

##### (2.) *Scotland.*

13. According to the census of 1891,‡ there were 8,500 aliens out of a total population of 4,026,000. In the Scottish statistics also the Europeans only are classified as regards age. These amounted to 7,600, of whom 121, representing 1·6 per cent., were stated to be 65 years old and upwards. If the same percentage be applied to the aliens of all sorts (8,500), the total number of aged foreigners would be 136; and 136 represent 07 per cent. of the total number of persons over 65 years of age in Scotland, computed at 203,000. In the absence of later figures we propose to assume that 07 per cent., or 1 in every 1,400, of persons otherwise qualified to receive pensions in Scotland would be excluded by reason of their foreign nationality.

##### (3.) *Ireland.*

14. According to the Irish census of 1891,§ the total number of aliens was 12,900. There is an age classification for all these aliens; but there is no dividing line at 65. Those between 60 and 80 were reckoned at 448, and those of 80 and upwards at 30. There were, therefore, 478 aliens who were over 60 years of age. In Scotland the European aliens of that age numbered 234, of whom 121 were 65 years old or more. If we assume the same proportions for Ireland, the number of aliens of 65 years of age and upwards would be about 250; and 250 represent 08 per cent. of the total number of persons over 65 years of age in Ireland, who were computed in 1891 at 301,000. We propose to assume that the percentage remains constant: that is, 08 per cent., or 1 in every 1,250, of that number.

#### 2. ATTAINMENT OF THE AGE OF 65.

15. We could hardly be at a greater disadvantage than we are in making computations about population, for we are more than eight and a-half years distant from the last census, and, therefore, there are no actual facts available later than those of 1891.

\* See Parliamentary Papers C. 7222 and 7058 of 1893.

† See Parliamentary Paper C. 7058 of 1893.

‡ See Parliamentary Paper C. 6937 of 1893.

§ See Parliamentary Paper C. 6780 of 1892.

16. In making an estimate of the number of persons in the United Kingdom who are 65 years of age and upwards, we conceive that we ought to endeavour to compute not only the number of persons who, under such a scheme as that propounded by the Select Committee, would be qualified as regards age to receive a pension on the introduction of the scheme, but also the number of persons who are likely to be qualified during an appreciable period after the scheme has been in operation. For, the initial cost of a scheme mainly affected by population is no necessary criterion of its ultimate cost.

17. In our attempts, then, to forecast the number of persons who would be pensionable (other conditions being fulfilled), we shall not only take the year 1901, which we regard as our starting point (because no scheme could be brought into effect before that year), but also the next two decennial periods ending in 1911 and 1921, thus bringing the forecasts into line with the census years. We shall likewise include in our estimates of the aged poor the year 1899, because we shall have to assume that some of the data relating to this year will, by analogy, be applicable to future years.

18. We have next to determine how we shall estimate the number of persons in the United Kingdom who are now 65 years of age and upwards, and likewise the probable number of such persons in the three next census years. There are three methods of calculation upon which we could proceed:—

(1.) We could assume that the proportion of the aged to total population is constant; that is, that the number of persons over a given age in 1899, 1901, 1911, and 1921 bears or will bear the same proportion to the total estimated population in those years as the number of persons of the same age in 1891 bore to the total population in that year as ascertained by the last census. Under this method, estimates of total population now and at more distant dates would have to be first made, and it is almost impossible to measure with accuracy by anticipation the four forces which have to be reckoned with in such estimates—the birth rate, the death rate, emigration and immigration. Even if there were less uncertainty about those forces, the correctness of assuming that the proportion of people at different ages to the total population will remain the same as at the last census might well be questioned. Indeed, the proportion is more likely than not to vary, and to vary with the changes in the rate of increase of the total population; for, the less the population increases (and it did, for example, increase in England and Wales less between 1881 and 1891 than between 1871 and 1881) the larger will be the proportion of the aged, if the smaller increase is due to emigration of young people and a diminution of the birth rate. On these grounds we are disposed to reject this method of calculation, which is given in Appendix V.—1, Table B, p. 76.

(2.) We could take the number of persons ascertained by the census of 1891 to be living at given ages; and we could then compute how many of such persons would, according to the rates of survivorship shown by the life table of 1881-90, be likely to survive in given subsequent years. This method, which is the one that the Government Actuary, Mr. Finlaison, on the whole, prefers, and which is also to be found in Appendix V.—1, Table E. (c), p. 77, dispenses with the necessity of taking into account the birth rate. That rate is probably the most doubtful of the four forces, and we are not, indeed, really concerned with it, inasmuch as for the next 65 years an old age pension scheme can only apply to persons already born. But, while this method thus gets rid of the problematical question as to the number of births in the future, it leaves out of account the probable net effect of migration, which is a consideration of some weight, especially in Ireland.

(3.) The third method supplies that defect, and it equally eliminates the birth rate problem. It is based upon a single assumption that the ratio of difference between the number of persons who were living at a given age at the penultimate census and those who were ten years older

at the last census is a constant one. That difference may be due to the death rate or to migration or to misstatement of age; but it is assumed that, whatever the causes of the difference may be, the same causes will operate to the same extent between the same ages in subsequent periods of 10 years. The method of calculation admits of easy illustration. If, for example, the persons aged 55 to 60 years were found to number (say) 200,000 in 1881, and those aged 65 to 70 were found to number (say) 180,000 in 1891, it would have been established that 90 per cent. of persons who were 55 to 60 years old in 1881 survived till 1891, and thus reached the age of 65 to 70. Accordingly, if the persons aged 55 to 60 were found to number (say) 220,000 in 1891, it would be assumed that 90 per cent. of these would be alive in 1901—in other words, that the number of persons aged 65 to 70 would be 198,000 in 1901. This method, the results of which (according to Appendix V.—1, Table E. (b), p. 77), do not materially differ from the results of the second method, is the one which we propose to adopt in making estimates of the number of persons over 65 years of age in any given year. We believe that, by containing the least number of unknown quantities, it will probably approximate the most closely to facts; and we have the satisfaction of being confirmed in this opinion by so eminent a statistician as Sir Robert Giffen. We may also quote in support of our conclusion the authority of Mr. Edwin Cannan.\*

(1.) *England and Wales.*

19. According to this method of calculation, the number of persons over 65 years of age in *England and Wales* works out for 1899, 1901, 1911, and 1921, as follows, as will be seen by a reference to Appendix V.—1, Table E. (b), p. 77:—

Year.	Males.	Females.	Total.
	No.	No.	No.
1899 - - - - -	644,000	836,000	1,480,000
1901 - - - - -	660,000	857,000	1,517,000
1911 - - - - -	746,000	970,000	1,716,000
1921 - - - - -	850,000	1,097,000	1,947,000

20. It is considered by the Registrar General for England and Wales that the safest or least dangerous hypothesis for estimating the total population in current decennial periods is to assume that the ascertained rate of increase during the last intercensal period has since been maintained; and on this assumption he estimates the total population of England and Wales for 1899 at 31,743,000 (see Appendix V.—1, Table B., p. 76). Accordingly, 1,480,000 persons would represent 4.7 per cent. of that total. Though this percentage does not admit of being accurately checked by the figures of the test census or by Colonel Milward's figures, because there are no means of accurately computing the present total populations of the selected districts in which the enumerations were made, yet it is confirmed generally by those figures.

(2.) *Scotland.*

21. According to the same method of calculation, the number of persons over 65 years of age in *Scotland* is computed as follows for the years 1899, 1901, 1911, and 1921, as will be seen by a reference to Appendix V.—2, Table V., p. 79:—

Year.	Males.	Females.	Total.
	No.	No.	No.
1899 - - - - -	88,000	129,000	217,000
1901 - - - - -	90,000	131,000	221,000
1911 - - - - -	101,000	144,000	245,000
1921 - - - - -	114,000	154,000	268,000

\* See "Economic Journal" of December 1895.

22. On the same assumption as that made by the Registrar General for England and Wales, the Registrar General for Scotland estimates the total population of that country for 1899 at 4,282,000 (see Appendix V.—2, Table II., p. 78.) Accordingly, the proportion of persons over 65 years of age, viz., 217,000, to the total population is almost exactly 5 per cent.

(3.) *Ireland.*

23. Applying the same method of calculation to *Ireland*, the Registrar General in Dublin estimates the number of persons over 65 years of age and upwards in that country in the following statement (see Appendix V.—3, p. 80) for the years 1899, 1901, 1911, and 1921; but he thinks that estimates of future population in a country like Ireland, where the population is decreasing owing to emigration, are specially open to doubt and liable to be upset.

Year.	Males.	Females.	Total.
	No.	No.	No.
1899 - - - - -	138,000	144,000	282,000
1901 - - - - -	136,000	142,000	278,000
1911 - - - - -	132,000	138,000	270,000
1921 - - - - -	123,000	129,000	252,000

24. The Registrar General for Ireland, who in current decennial periods finds his estimates of total population upon the annual statistics of births, deaths, and migration, puts the population of Ireland for the year 1899 at 4,536,000; and accordingly, as the number of persons over 65 is computed to be 282,000, the proportion which persons of that age bear to the total population is 6.2 per cent. This proportion corresponds very closely to the figures in the statement with which the Local Government Board in Dublin has furnished us (see Appendix IV.—1, p. 70). According to those figures, which, however, relate to the last census year (1891), out of a total of 4,705,000 the number of persons over 65 years of age was 301,000 or 6.4 per cent.

25. The fact that the percentage of aged people in Ireland is higher than that in England and in Scotland is, of course, to be expected, when it is borne in mind that many young Irish adults emigrate, and that the persons who are 65 years of age and upwards are, and for some years to come will still be, survivors of the days before the famine of 1846, since which the population of Ireland has continuously declined.

3. ABSENCE OF CONVICTION FOR OFFENCE BETWEEN THE AGES OF 45 AND 65.

26. The textual definition of this condition is that no person would be eligible for a pension who has "within the last 20 years been convicted of an offence and sentenced to penal servitude or imprisonment without the option of a fine."

27. The persons annually convicted in the three divisions of the United Kingdom can be classified in respect of age. But persons imprisoned without the option of a fine are not separated in the statistics from the total number convicted as regards age; and, therefore, they can only be classified in the same proportions as the total number of convicts. This hypothetical classification is given in the following Table:

Age.	England and Wales, 1897.*			Scotland, 1898.†			Ireland, 1896.‡		
	Persons convicted.	Percentages of total number convicted.	Persons sentenced to imprisonment without the option of a fine, classified according to same percentage.	Persons convicted.	Percentages of total number convicted.	Persons sentenced to imprisonment without the option of a fine, classified according to same percentage.	Persons convicted.	Percentages of total number convicted.	Persons sentenced to imprisonment without the option of a fine, classified according to same percentage.
Under 21	19,194	12.9	8,977	5,354	9.9	1,077	3,184	10.9	1,018
21-30	41,594	27.9	19,775	16,241	29.8	3,253	9,529	32.6	3,075
30-40	42,326	28.4	19,762	15,598	28.7	3,117	8,134	27.8	2,597
40-50	26,367	17.7	12,317	10,086	18.5	2,007	4,279	14.6	1,367
50-60	10,244	6.9	4,891	4,037	7.4	892	2,372	8.1	757
Over 60	9,158	6.2	3,717	3,096	5.7	619	1,768	6.	561
TOTAL	148,883	100.	69,586	54,422	100.	10,850	29,266	100.	9,372
Age not ascertained	79	—	—	—	—	—	7	—	—
TOTAL	148,962	—	69,586	54,422	—	10,850	29,273	—	9,372

28. On the assumption made in this Table, the number of persons annually convicted without the option of a fine between the ages of 40 and 60, in the most recent years for which statistics are available, would be—

	No.
(1) For England and Wales	17,118
(2) For Scotland	2,810
(3) For Ireland	2,121
Total	22,049

and, as the number of criminals decreases rapidly as age increases, the number of persons convicted between the ages of 45 and 65 would be considerably less. But, even if that information were forthcoming, it would not really assist us. For, it is impossible to say how many of those convicted of serious offences in the course of 20 years would be likely to be alive, or at large, in the 21st year; and it is equally impossible to say how many of them would be convicted under the same or different names more than once. All that we can do, therefore, is to make a purely arbitrary allowance for disqualification on account of a criminal past. We do not think that the allowance need be great; because, as destitution and early death presumably more often than not follow in the wake of crime, many former criminals would be dependent mainly or wholly on the rates before they reached the pensionable age, and, therefore, be disqualified on the ground of pauperism. The allowance which we are disposed to make, mainly by way of a reminder that crime is a factor in the Select Committee's Scheme, would be a deduction of 2 per cent. from those who might otherwise satisfy the pension authority.

#### 4. NON-RECEIPT OF POOR LAW RELIEF (OTHER THAN MEDICAL RELIEF) DURING THE 20 YEARS PRECEDING THE APPLICATION FOR A PENSION

29. As applicants for pensions would have to show that they had not for a considerable time previously been in receipt of Poor Law relief except in case of illness, or "under circumstances of a wholly exceptional character,"

\* See Parliamentary Paper C. 9135 of 1899.

† From information supplied by the Scottish Office.

‡ See Parliamentary Paper C. 9492 of 1899.

we take it for granted that all persons who may, on the introduction of the proposed pension scheme, be found to be 65 years of age and upwards, and to be wholly or partly chargeable to the ratepayers, would *a fortiori* be debarred from making application to the pension authority. But we imagine that it might be by no means easy to defend the exclusion of those aged paupers who could give reasonable proof that, had they not had the misfortune to pass the Rubicon in "pre-pensionable" days, they would have been able to satisfy the requirements of the pension authority.

30. In computing the number of persons aged 65 and upwards who would be disqualified for pensions on account of pauperism, we take each part of the United Kingdom separately.

#### (1.) England and Wales.

31. There are two Parliamentary Returns which throw light on the total number of paupers over 65 years of age in *England and Wales*. There is that associated with Mr. Burt's name, which was presented to the House of Commons in 1890 (No. 36 of 1891). There is also that associated with Mr. Ritchie's name, which was presented to the House of Commons in 1892 (No. 265 of 1892).

32. Mr. Burt's Return is founded upon a day's count (the 1st August 1890), and it is confined to the number of paupers over 60 years of age who were found to be in receipt of relief on that day. It distinguishes between males and females, and it shows those who were between 60 and 65 years of age, between 65 and 70, between 70 and 75, between 75 and 80, and 80 and upwards.

33. Mr. Ritchie's Return relates to paupers of all ages, and is founded not only upon a day's count (the 1st January 1892), but also upon a year's count (the 12 months ending on Lady Day 1892); and thus it purports to give the number of all individuals who received relief at any time during these 12 months, that is, occasionally as well as continuously. It distinguishes (1) persons of each sex of 65 years of age and upwards; (2) persons between the ages of 16 and 65; and (3) children under 16 years of age; but persons who are 65 years old and upwards are not further classified as regards age. It also gives the estimated number of those who were in receipt of medical relief only.

34. A day's count and a year's count bring out very different results. According to the day's count in the Return moved for by Mr. Ritchie, the total number of paupers in receipt of relief (excluding lunacy and medical relief cases) on the 1st January 1892 was 679,277, and according to the year's count in the same Return, the number of paupers relieved in the course of the year ending the 25th March 1892 was about double, or 1,361,992.

35. A day's count is regularly taken twice a year, on the 1st January and the 1st July; but, as there has been no year's count since 1892, the only way of bringing the Return of 1892 up to date is to assume that a year's count, if made in the course of the 12 months ending the 25th March 1899, and the day's count taken on the 1st January 1899, would bear the same proportions to one another as they did in 1892. But the day's count taken on the 1st January 1899 did not discriminate between the ages of paupers; and, therefore, though winter counts are generally rather larger than summer counts, we must select the day's count taken on the 1st July 1899, because in connection with that count special directions were given that the paupers over 65 should be separately enumerated.

36. The following Table is compiled on this assumption.

Estimated Total Population	Pauperism.	Total Paupers in England and Wales, excluding Medical Relief Cases.			Proportion per cent. of Paupers to Total Population.	Estimated Number of Persons of 65 years and upwards.	Number of Paupers of 65 years of Age, and upwards, excluding Medical Relief Cases.		
		Indoor.	Outdoor.	Total.			Indoor.	Outdoor.	Total.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
(1891.)	According to a day's count, 1st January 1892.	192,000	457,000	649,000	2.3	(1891.)	63,000	201,000	264,000
29,082,000		According to a year's count in the 12 months ending 25th March 1892.	455,000	904,000	1,359,000	4.7	1,276,000	114,000	962,000
(1899.)	According to a day's count, 1st July 1899.	177,000	497,000	674,000	2.1	(1899.)	67,000	210,000	277,000
31,743,000 (cf. paragraph 29.)	According to a hypothetical year's count on the assumption that the same proportion to a day's count as in 1892 obtains.	522,000	937,000	1,459,000	4.5	1,381,000 (cf. paragraph 19.)	121,000	274,000	395,000

The first two lines of the Table are taken from Mr. Ritchie's Return, No. 265 of 1892, and the third line represents the latest figures which the Local Government Board in London can furnish. The fourth line, as explained in the text, is hypothetical.

Note.—The Statistics relating to Pauperism exclude Pauper Lunatics about whom a separate calculation is made in Appendix VII, p. 93.

37. The respective proportions per cent. of indoor and outdoor paupers to the total number of persons who are 65 years of age and upwards would, according to the one day's count and the year's count in the foregoing Table, at present, be as follows:—

	Indoor Paupers.	Outdoor Paupers (exclusive of those in receipt of Medical Relief only).	Total.
	Per Cent.	Per Cent.	Per Cent.
1. According to the day's count taken on the 1st July 1899.	4.5	14.2	18.7
2. According to the hypothetical year's count of same date.	8.2	18.5	26.7

38. We believe that, while the percentage established by a one day's count may be a fair representation of the *burthen* of pauperism, the percentage established by the year's count is a more accurate representation of the *extent* of pauperism than the percentage established by a one day's count; and in this view we are confirmed by Mr. Charles Booth.\* It is true that in a year's count some of the paupers must almost certainly be reckoned twice over, and no allowance is made for those who may have died during the twelvemonth. The year's count, therefore, probably gives a somewhat exaggerated estimate of paupers for the time being. If, however, a deduction be made on this account, an addition should be made for those old people who may during the preceding 20 years have been in receipt of Poor Law relief; though it may be inferred that, in ordinary circumstances, there would be but few who, if found to be not receiving poor relief at the age of 65 or at a greater age, would have had resort to it at times when they were presumably better able to maintain themselves. We may perhaps consider that the deduction and addition would counterbalance each other.

\* Cf. Mr. Charles Booth's "Old Age Pensions and the Aged Poor," p. 11.

39. We now turn to the results of the test census which we instituted, and in which the inmates of workhouses on the day of enumeration are not taken into account. It does, however, purport to include not only those who were on that day, and had been during the preceding 20 years, in receipt of outdoor relief, but also those who may have previously been in receipt of indoor relief. If we turn to Appendix II.—1, pp. 10-11, we find that, out of 12,431 aged persons enumerated, there were 2,711 who came within that category, or 21.8 per cent. Before, however, we apply that percentage to the total aged population of the country, which would include indoor paupers, we ought to add to the numbers enumerated a percentage for workhouse people in the selected districts; and, if we assume that on the day of the enumeration the aged indoor paupers bore the same proportion to the total aged population as on the 1st July last, the addition would be 4.5 per cent. (cf. paragraph 37), or 586 individuals. When this correction in the number of aged persons enumerated is made, 12,431 will become 13,017, and 2,711 out of 13,017 represent 20.8 per cent., or say 20½ per cent.

40. This percentage, then, represents the amount of pauperism established by the test census; and, if we add to it those estimated to be actually in the workhouse, viz., 4½ per cent., the total extent of pauperism which according to that census would constitute a bar to the award of pensions would be 25 per cent.

41. The probability, however, is that, intentionally or unintentionally, some of those who were visited by the enumerators failed to give information about their having received poor relief in the past; and, if we make on this account an addition of 2 per cent., we arrive at a total of 27 per cent., thus confirming almost exactly the result (26.7 per cent.) deducible from the calculation which we based on the year's count (cf. paragraph 37).

42. We submit, then, that 27 per cent. of the persons who are 65 years of age and upwards may be considered to be the proportion of those who would be disqualified for pensions by reason of their being, or having been, in receipt of poor relief (other than medical relief). It is difficult to apportion the 27 per cent. between indoor and outdoor pauperism; but it is clear that the percentage deducible from the day's count would be understating the extent of indoor pauperism, and, therefore, we propose to regard indoor and outdoor pauperism as represented respectively by the percentages of 6.5 and 20.5.

43. We may note that a percentage of 27 is somewhat lower than the estimate formed by Mr. Charles Booth. He reckons that "the proportion of those over 65 in England and Wales, who, in the course of a twelvemonth, receive Poor Law relief in some form or other, is about 30 per cent.)\* But, in forming this conclusion, Mr. Booth included those in receipt of medical relief as well as those in receipt of other outdoor relief; and he had not the advantage, which we have had, of comparing the results of a year's count with actual data derived from local inquiries instituted in every variety of district.

#### (2.) Scotland.

44. The statistical information bearing on the aggregate pauperism of Scotland is less up to date. There was no Return obtained for that country similar to that which was obtained for England in 1892. Accordingly, in preparing a Table similar to that which we have given for England, the Local Government Board for Scotland have had to take some statistics which were collected by the late Board of Supervision in 1889, and to take that year as the basis on which to compute the hypothetical year's count for 1899. The computation is given in the following Table:—

\* See Mr. Charles Booth's "Old Age Pensions and the Aged Poor," p. 11; also his larger volume, "The Aged Poor," p. 420.

Estimated Population.	Pauperism.	Total Paupers in Scotland.			Proportion per cent. of Paupers to Total Population.	Estimated Number of Persons of 65 years and upwards.	Number of Paupers of 65 Years and upwards.		
		Indoor.	Outdoor.	Total.			Indoor.	Outdoor.	Total.
(1889)	According to a day's count—14th May 1889.	8,471	76,235	84,706	2.1	(1891) 26,000	No information.		
3,567,629	According to a year's count in the 12 months ending 14th May 1889.	29,000 (Estimated)	145,500 (Estimated)	174,500	4.4				
(1899)	According to a day's count—14th May 1899.	9,965	75,094	85,059	2.0	(1899) 217,000 (cf. paragraph 21.)	4,142	19,994	24,136
4,222,000 (Estimated to middle of year.) (cf. paragraph 22.)	According to a hypothetical year's count on the assumption that the same proportion to a day's count as in 1889 obtains.	25,000	111,000	136,000	3.1		11,000	26,000 (Estimated.)	37,000 (Estimated.)

Note.—The Statistics relating to Pauperism exclude Pauper Lunatics, about whom a separate calculation is made in Appendix VII., p. 10.

45. The Scottish returns do not ordinarily distinguish between aged paupers in poorhouses and those in receipt of outdoor relief, nor do they distinguish medical relief from other relief, for medical relief in Scotland equally pauperises the recipient. But the Local Government Board for Scotland have by special inquiries ascertained that, according to the day's count on the 15th May 1899, the number of aged indoor paupers was 4,142, and the number of aged outdoor paupers was 19,994. The Board also specially ascertained that the total number of aged persons relieved in poorhouses in the course of the year ending 15th May last was 10,924 or (say) 11,000. The only figure, therefore, which had to be estimated was the number of aged outdoor paupers relieved in the course of the year; and the Local Government Board are of opinion that that number may be taken to be (approximately) 26,000. From the figures in the foregoing table, we can give the respective proportions per cent. of indoor and outdoor paupers to the total number of persons who are 65 years of age and upwards. Thus:—

	Indoor Paupers.	Outdoor Paupers.	TOTAL.
1. According to the latest day's count	Per Cent. 1.9	Per Cent. 9.2	Per Cent. 11.1
2. According to the hypothetical year's count of same date	5.1	12.0	17.1

46. Turning to the results of the test census, we must remember that this census, like the one in England and Wales, could take no account of the number of poorhouse inmates in the selected districts on the day of enumeration. It will be seen from Appendix III.—1, pp. 40-41, that, out of 12,751 aged persons enumerated, 1,550, or 12.2 per cent., were returned as being, or having been, in receipt of Poor Law relief. On the assumption that the enumerators elicited accurate information about past and present pauperism, this proportion of 12.2 per cent. should include any persons who had during the preceding 20 years been in receipt of indoor relief, as well as those who were at the moment, or who had been, in receipt of outdoor relief. Before, however, we apply the proportion of 12.2 per cent. to the total population we must add to the numbers enumerated a percentage for indoor paupers in the selected districts; and if we assume that on the day of the enumeration the aged indoor paupers bore the same proportion to the total aged population as on the 15th May last, the addition would be 1.9 per cent., or 247 persons. If we correct by this percentage (1.9) the number of aged persons enumerated by the test census, 12,751 will become 12,998, of whom 1,550 or 11.9 per cent., would represent the amount of pauperism established by the test census; and if to the percentage of 11.9 we add 1.9 per cent. to represent

those actually in poorhouses on the day of enumeration, the number of persons over 65 years of age who would be disqualified on the ground of pauperism would be 13.8 per cent. But we think that we should make the same allowance (2 per cent.) for defective information respecting past pauperism in Scotland as we have made on that account in England and Wales; and, therefore, we propose to consider that 15.8, or in round numbers 16 per cent., of those who might be applicants for pensions in Scotland would be disqualified by reason of their being, or having been, in receipt of Poor Law relief. It will be seen that this percentage closely corresponds with the percentage deducible from the estimate of a year's count formed by the Local Government Board for Scotland, cf. paragraph 45; and, following the same method that we have adopted for England and Wales, we shall apportion indoor and outdoor pauperism as 4 and 12 per cent. respectively.

47. In a memorandum by the Local Government Board for Scotland, which is to be found in Appendix III.—5, p. 64, an explanation is given of some of the main differences between the Poor Law systems of England and Scotland; and there is an allusion to the non-relief of the able-bodied in Scotland, and to the greater aversion to dependence on rates in the Highlands, as reasons why pauperism is, to a marked degree, comparatively less in Scotland than in England.

(3.) Ireland.

48. We have, with the assistance of the Local Government Board in Dublin, prepared the following Table relating to pauperism in Ireland on the same lines as the Table relating to England, there being a return in 1892\* relating to Irish pauperism similar to that relating to English pauperism.

Estimated Total Population.	Pauperism.	Total Paupers in Ireland.			Proportion per cent. of Paupers to Total Population.	Estimated Number of Persons of 65 years and upwards.	Number of Paupers of 65 years and upwards.		
		Indoor.	Outdoor.	Total.			Indoor.	Outdoor.	Total.
(1891)	According to a day's count, 1st January 1892.	42,594	60,115	102,709	2.2	(1891) 301,000	14,115	27,910	41,125
4,631,248	According to a year's count in the twelve months ending 25th March 1892.	256,816	123,427	380,243	8.1		129,151	40,623	169,774
(1899)	According to a day's count, 1st July 1899.	40,016	58,370	98,386	2.2	(1899) 282,000 (cf. paragraph 21.)	15,000	27,000	42,000
4,536,000 (cf. paragraph 21.)	According to a hypothetical year's count on the assumption that the same proportion to a day's count as in 1892 obtains.	212,000	119,000	331,000	8.0		27,000	50,000	77,000

\* The Parliamentary Return gives the total for Indoor Paupers as 40,166, but this includes vagrants. Note.—The Statistics relating to Pauperism exclude Pauper Lunatics, about whom a separate calculation is made in Appendix VII., p. 10.

49. The respective proportions per cent. of indoor and outdoor paupers to the total number of persons who are 65 years of age and upwards would, according to the one day's count and the year's count in the foregoing Table, be as follows:—

	Indoor Paupers.	Outdoor Paupers.	TOTAL.
1. According to latest day's count	Per Cent. 4.6	Per Cent. 9.6	Per Cent. 14.2
2. According to hypothetical year's count of same date	9.6	14.2	23.8

50. In the statement furnished by the Local Government Board for Ireland (see Appendix IV.—1, pp. 70-1), the proportion of aged paupers is estimated at 23.2 per cent., which approximates closely to the percentage deduced from the hypothetical year's count. In order, however, to be on the safe side, we

\* Parliamentary Return No. 360 for 1892.

propose to make an addition for the risk of an under-estimate, similar to that which we have made for England and Scotland; and we shall accordingly consider that 25 per cent. of those over 65 years of age would be disqualified by reason of being, or having been, in receipt of poor relief, of whom we understand that 10 per cent. may be taken to be indoor paupers and 15 per cent. outdoor paupers.

50a. It will be noticed that the proportion of paupers is less in Ireland than in England; but it must be remembered that the law affecting pauperism in Ireland is different from that of England, inasmuch as all persons holding more than a quarter of an acre of land in Ireland are prohibited from receiving outdoor relief. It is also to be noted that medical relief in Ireland is quite distinct from outdoor relief, and persons receiving medical relief do not appear in the Outdoor Relief Register.

5. RESIDENCE WITHIN A GIVEN DISTRICT.

51. This point is one about which, of course, no statistics are available or obtainable; but we hazard the opinion that, if a pension scheme were in operation, very few persons who believed themselves to be able to satisfy the pension authority in all other respects would forfeit their chances of earning a pension by changing their residence within the qualifying term, whatever it might be prescribed to be. In short, we think that the number who will fail to comply with the residential qualification may be regarded as a negligible quantity.

6. NON-POSSESSION OF AN INCOME (FROM ANY SOURCE) OF MORE THAN 10s. A WEEK.

52. For estimating the number of persons with incomes not exceeding 10s. a week we have to depend on the results which have been established by the test census.

(1.) England and Wales.

53. It will be seen from the tabulation given in Appendix II.—1, pp. 10-11, that inquiries were made of 12,431 aged persons.

a. The number of aged persons who returned their incomes at over 10s. a week (columns 9 and 10) was (2293 + 1462) =	No. 3,755
b. The number of those who declared that their incomes were 10s. a week only or less (column 11) was	5,538
c. The number of those who, while declining to state the amount of their incomes, owned to being maintained by relations and friends (column 12) was	2,086
d. The number of those who refused to give any information respecting their means (column 13) was	1,052
Total	12,431

54. We propose to assume that those who declined to state the amount of their incomes but owned to being maintained by relations or friends were persons of slender means, or at any rate would probably become pensionable, because the assistance of relations or friends would, on the establishment of a pension scheme, presumably fall off.

55. It is a more moot point how to treat those who refused to give any information about their means. We think that it is fair to assume that the bulk of these belonged to classes who were in comparatively easy circumstances; and in any case we submit that it will be well to throw the entire number into the upper scale, by way of counteracting a not improbable tendency on the part of some to understate their incomes in

the belief that the inquiry implied the early proposal of some measure calculated to benefit persons with very limited incomes. Accordingly, we intend to add all of the 1,052 persons to the numbers of those whose incomes were returned as exceeding 10s. a week.

56. On these assumptions—

a. The number of aged persons with incomes exceeding 10s. a week would be (3,755 + 1,052) =	No. 4,807
b. The number of aged persons with incomes of 10s. a week or less would be (5,538 + 2,086) =	7,624
Total	12,431

And accordingly the proportion of aged persons with incomes exceeding the pensionable limit would be 39 per cent.

57. But to apply this percentage to the total estimated number of aged persons would not be correct. We must again take into account the fact that, while in that total number the workhouse people would be included, no allowance is made for those who were indoor paupers on the recent enumeration day. If we assume the number of 12,431 to be less than the total population in the selected districts by 4.5 per cent., which is the percentage of indoor pauperism according to the one day's count in July last (see paragraph 37), we arrive at a total of 13,017 to represent the number of persons who would have been enumerated, had the workhouse people admitted of being included in the test census.

58. The following statement containing this correction brings out slightly different percentages, namely, 36.9, or say 37 per cent. for those whose incomes exceed 10s. a week, and 63.1, or say 63 per cent. for those whose incomes are 10s. a week or less; and we propose to adopt these percentages. Thus:

a. Number of aged persons enumerated with incomes exceeding 10s. a week	No. 4,807	Per cent. 37
b. Number of aged persons enumerated with incomes of 10s. a week or less	7,624	
Add for indoor paupers	586	
Total	8,210	63
Total	13,017	100

59. This percentage of persons with weekly incomes of 10s. only or less (viz., 63) is higher than the percentage deducible from Col. Milward's figures, which is 56 per cent. The difference, however, does not surprise us, for one of the most noticeable outcomes of our test census is that, while groups of analogous districts produce astonishingly similar results, yet units bring out very wide divergencies. In any case, we are bound to consider that a census applied to about 12,500 old persons scattered all over the country is more likely to give trustworthy results than a census applied to barely 1,000 of such persons in one particular district, the condition of which may be prosperous above the average. It is worth noting that the proportions per cent. which we bring out correspond almost identically with the opinion expressed in an article on *Old Age Relief* in the *Edinburgh Review* for October 1899,\* the author of which, though he does not give the data on which he forms his opinion, evidently writes as one who has devoted much study to the subject of the aged poor. Similar conclusions are to be inferred from Mr. Charles Booth's statement that "perhaps one-third of the population is lifted so far above parish relief as to yield a very small percentage of pauperism in old age." †

\* No. 390, p. 342.

† See Mr. Charles Booth's "The Aged Poor," p. 420.

(2.) *Scotland.*

60. It will be seen from the tabulation given in Appendix III.—1, pp. 40-1, that inquiries were made of 12,751 aged persons (column 4 of Tables).

a. The number of aged persons who returned their incomes at over 10s. a week (Columns 9 and 10) was (2529+1166)=	No. 3,695
b. The number of those who declared that their incomes were 10s. a week only or less (Column 11) was	5,488
c. The number of those who, while declining to state the amount of their incomes, owned to being maintained by relations and friends (Column 12) was	2,617
d. The number of those who refused to give any information respecting their means (Column 13) was	951
Total	12,751

61. We assume, as in the case of England and Wales, that those who declined to state the amount of their incomes but owned to being maintained by relations or friends, were persons who might reasonably be expected to become pensionable, because the assistance of relations or friends would, on the establishment of a pension scheme, presumably fall off.

62. Similarly, with regard to those who refused to give any information about their means, we think it fair to assume that the bulk of these belonged to classes in comparatively easy circumstances; and for the reasons stated in paragraph 55, we propose to throw into the upper scale the entire number, with the exception of 81 who were found to be in receipt of poor relief (*cf.* Appendix III.—1, pp. 40-1). Accordingly, we add 870 out of 951 to the number of those whose incomes were returned as exceeding 10s. a week.

63. On these assumptions—

a. The number of aged persons with incomes exceeding 10s. a week would be (3,695 + 870)=	No. 4,565
b. The number of aged persons with incomes of 10s. a week or less would be (5,488 + 2,617+81)=	8,186
Total	12,751

And accordingly the proportion of aged persons with incomes exceeding the pensionable limit would be 35.8 per cent. Before, however, we apply this percentage to the total estimated number of aged persons in Scotland, we must again correct the number of persons enumerated (12,751), in order to make an allowance for indoor paupers. That number (12,751), when corrected by an addition of 1.9 per cent. (*see* paragraph 45), becomes 12,998, and 4,565 represents 35.1 per cent. of 12,998.

64. The following statement shows how, with these corrections, the line would be drawn as regards the incomes of those who were enumerated.

a. Aged persons with incomes exceeding 10s. a week	No. 4,565	Per Cent. 35.1
b. Aged persons with incomes of 10s. a week or less	No. 8,186	
Add for indoor paupers	247	
	8,433	64.9
Total	12,998	100

65. It is remarkable how closely these percentages of 35.1 and 64.9, or (in round numbers) 35 and 65, which we shall apply to the total number of aged persons in Scotland, agree with the corresponding percentages relating to England and Wales (*see* paragraph 58).

(3.) *Ireland.*

66. According to the rough estimates prepared by the Local Government Board in Ireland (*see* Appendix IV.—1, pp. 70, 71), there were, out of 301,000 persons over 65 years of age, estimated to be 155,000 in receipt of less than 10s. a week in 1891. The proportions, therefore, above and below that line were as follows:—

	No.	Per-centage.
a. In receipt of 10s. a week or more	146,000	48.5
b. In receipt of less than 10s. a week	155,000	51.5
Total	301,000	100

67. If we assume that the present proportions have remained constant, it would appear that the percentage of persons in comparatively "easy" circumstances is in Ireland greater than in England, whereas we might perhaps have expected a reverse result. The apparently smaller proportion of indigent persons in Ireland is probably attributable to two causes.

68. In the first place, in the figures relating to England, the line of demarcation is drawn between (a) those who have more, and (b) those who have no more than 10s. a week, which was the line proposed by the Select Committee; whereas in the statistical statement relating to Ireland the line is drawn between (a) those who have less than 10s. a week, and (b) those who have 10s. or more. In other words, those with exactly 10s. a week, of whom there may be not a few, are placed in the lower category for England and in the upper category for Ireland.

69. In the second place, the conditions of life among the lower classes in Ireland differ materially from those in England. In Ireland, unlike England, there are numbers of small peasant proprietors and of cottiers and labourers occupying diminutive holdings. Many of these may be worth 10s. a week or more, because the net cash profits which they derive from the soil and the value of the produce which they consume at home would amount to more than that weekly sum. These persons remain in occupation of their holdings until they die; and therefore, however old and decrepit they may become, they would still be credited with the profits and produce. The corresponding aged and decrepit in England might be dependent wholly on the parish or their relations. It may, however, be confidently assumed that the aged peasant proprietors and legal tenants in Ireland would, in order to qualify for pensions, make over their interests in the land to their children, whom they nominally support, although probably, more often than not, the children by working the family holding really support the parents.

70. For these reasons we do not think that we should be right to assume that there would be proportionately fewer pensionable people in Ireland than in England on account of their having incomes in excess of the prescribed limit. Accordingly, we shall consider that the same proportion would be disqualified on this account in Ireland, *viz.*, 37 per cent. (*see* paragraph 58).

#### 7. PROVED INDUSTRY OR PROVED EXERCISE OF REASONABLE PROVIDENCE BY SOME DEFINITE MODE OF THRIFT.

71. It is important to note the actual words in which the Select Committee refer to this qualification. They, first of all, define the requirement to be that a person applying for a pension must satisfy the Pension Authority that he (the applicant) "has endeavoured to the best of his ability, by his industry or by the exercise of reasonable providence, to make provision for himself and those immediately dependent upon him." The Committee then go on to say how, in their opinion, "the exercise of reasonable providence" should be interpreted. They "think that the (Pension) authority should be bound to take into consideration whether, and how far, it has been shown, either by membership of a benefit society

for a period of years or by the endeavour of the applicant to make some provision for his own support by means of savings or investments or some other definite mode of thrift." "Exercise of reasonable providence," as thus defined, and governed by the words "to the best of his ability," is a comprehensive term if it stood by itself. But it is accompanied with another term capable of being interpreted with still greater latitude—"industry."

(1.) *England and Wales.*

72. Though we are not without statistical information which bears directly on the total amount of thrift represented by the number of members of benefit societies and by the number of depositors in savings banks, yet the only available means of computing the proportion of those numbers which represents persons of 65 years of age and upwards are almost entirely hypothetical.

(1.) It is shown by a calculation of which the details are given in a memorandum which has been prepared in the Registry of Friendly Societies (*see* Appendix VI, p. 84), that, if it be assumed that the increase in the proportion of aged members to the whole body of members which was observed from 1856 to 1880 has continued to the present time, 6·17 per cent. of the whole number of members of *Registered Friendly Societies* may be taken to represent the number who have attained the age of 65 and upwards. In arriving at the total number of members in England, those who belong to juvenile societies (183,000), and to dividing societies or slate clubs (115,000), have been deducted on account of the non-permanence of the last-named bodies.

Total number of Members	4,687,000
Deduction for Non-Permanence	298,000
<b>TOTAL number of Permanent Members</b>	<b>4,389,000</b>
6·17 per cent. of this number	271,000*

(2.) The number of members of *Shop Clubs and other Unregistered Bodies* has been estimated to be co-extensive with that of the registered friendly societies, and accordingly the number of members of those societies who reach the age of 65 may be duplicated for the unregistered bodies. It is possible that a larger deduction should be made for non-permanence; but as to this we have no information.

(3.) There are no means of directly calculating the number of members of *Building Societies* who reach the age of 65, and so we can only assume that the proportion which reaches that age is the same as the proportion which persons of 65 years and upwards bear to the general population. This proportion is 4·7 per cent. (*cf.* paragraph 20), and accordingly the following results are deducible:—

Total number of Members	561,000
Proportion per cent. to be taken	4·7
Assumed number over 65 years of age	26,000

(4.) With respect to *Co-operative Societies*, only persons above 16 years of age can be members, and therefore the comparison should be made with the proportion of the general male population above that age who reach the age of 65, which is 6·99 per cent. :—

Total number of Members	1,310,000
Proportion per cent. to be taken	6·99
Assumed number over 65 years of age	92,000

\* It should be noted that, if those persons above the age of 65 who have been members of friendly societies, but are not so now, are included, as having endeavoured to make provision for themselves, the number would probably be at least 309,000.

(5.) The same assumption is made with respect to *Trades Unions*.

Total number of Members	1,131,000
Proportion per cent. to be taken	6·99
Assumed number over 65 years of age	79,000

(6.) As accounts in *Savings Banks* are opened in the names of persons of all ages, the only statistical assumption that we can adopt is that the proportion of depositors who reach the age of 65 is the same as in *Building Societies*, viz., 4·7 per cent. We accordingly make the following hypothetical calculation.

	No.
1. Depositors in Trustee Banks (1898)	1,045,000
<i>Deduct</i> —Penny Banks	23,000
Net Total	1,022,000
2. Depositors in Post Office Savings Banks	6,961,000
Total Depositors	7,983,000
Proportion per cent. of persons over 65 to total population	4·7
Assumed number of Depositors over 65 years of age	375,000

73. As against the small number of women when compared with men who are members of friendly societies, it is to be noted that in savings banks the number of female depositors considerably exceeds the number of male depositors. A test enumeration made in 1897 by the authority of the Postmaster General gave the percentages as 60·59 and 39·41. If this proportion is still maintained and is applicable to both classes of savings banks, there would be 4,837,000 female depositors and 3,146,000 male depositors, and if the proportion applies equally to depositors over 65 years of age, taken at 375,000, there would be 227,000 female depositors and 148,000 male depositors of that age.

74. We now summarise the foregoing figures.

Assumed Number of Persons over 65 Years of Age who are	No.
1. Members of Registered Friendly Societies	271,000
2. Members of Shop Clubs and other Unregistered bodies	271,000
3. Members of Building Societies	26,000
4. Members of Co-operative Societies	92,000
5. Members of Trades Unions	79,000
6. Depositors in Savings Banks	739,000
	375,000
Total	1,114,000

75. The preceding tests of thrift deduced do not, of course, exhaust the list of possible tests. Railway savings banks, and other minor forms of thrift organisations, are omitted. There must also be many persons who have invested savings in securities of various kinds and who have provided themselves with annuities. There must be many others who have purchased their cottages or plots of land. Indeed, it is known that a very considerable number of persons who were formerly members of building societies have bought their houses, and have consequently terminated their membership. Others, both in building and co-operative societies, are not members, but are depositors or lenders. We can hardly be giving an exaggerated estimate.



of these other forms of thrift, about which there can be no statistics, if we make on their account an addition of 5 per cent. Moreover, the savings of husbands may be regarded equally as proof of the providence of their wives as of their own providence: in other words, many of the hypothetical figures which we have put together must (as it were) "do duty" for married couples as well as for individuals.

76. On the other hand, there are many depositors in savings banks who, as is well known, are comparatively well-to-do persons; and there must be many members of benefit societies who would be above the pensionable class. In order, therefore, to arrive at an approximate estimate of those depositors in savings banks and members of benefit societies with whom the pension authority would have to deal, we propose to deduct from the foregoing calculations 37 per cent.; that being the assumed percentage of persons over 65 years of age who have incomes in excess of 10s. a week (*cf.* paragraph 58).

77. Again, there must, of course, be many members of more than one society, and many members of societies must also be depositors in savings banks. We propose, in the absence of any statistical knowledge, to make hypothetically a further deduction of 40 per cent. from the reduced total for duplicate entries.\*

78. The following Table introduces into the preceding summary the proposed adjustments:—

PERSONS AGED 65 YEARS AND UPWARDS IN ENGLAND AND WALES.					
Total Number.	Deduction of 37 per cent. representing cases of Thrift among Persons with presumed incomes over 10s. a week.	Estimated Number of cases of Thrift among Persons with presumed incomes of 10s. a week or less.	Further deduction of 40 per cent. represent duplicate tests of Thrift.	Estimated Number of cases of Thrift among Persons with presumed incomes of 10s. a week or less after allowing for duplicate tests.	
(1.)	(2.)	(3.)	(4.)	(5.)	
1. Members of Registered Friendly Societies	271,000	100,000	171,000	68,400	102,600†
2. Members of Shop Clubs and other unregistered bodies	271,000	100,000	171,000	68,400	102,600
3. Members of Building Societies	26,000	10,000	16,000	6,400	9,600
4. Members of Co-operative Societies	92,000	34,000	58,000	23,200	34,800
5. Members of Trades Unions	79,000	29,000	50,000	20,000	30,000
Total - - -	739,000	273,000	466,000	186,400	279,600
6. Depositors in Savings Banks	375,000	139,000	236,000	94,400	141,600
Total - - -	1,114,000	412,000	702,000	280,800	421,200
7. Investors of Savings in other ways (addition of 5 per cent.)	56,000	21,000	35,000	14,000	21,000
AGGREGATE TOTAL - - -	1,170,000	433,000	737,000	294,800	442,200

\* In the scheme submitted by the Hon. Lionel Holland to Lord Rothschild's Committee, he thought it probable that a deduction of 20 per cent. should be made for duplicate membership (p. 165 of the Appendices to the Committee's Report—C. 8,911 of 1898). This deduction seems to us much too small, and we have accordingly doubled it.

† It will be observed that 103,000 is only 2.35 per cent. of the total number of present permanent members of friendly societies already mentioned. If, therefore, the more complete investigation, which we understand the Registrar has taken steps to make next year, should show that his assumption of a continuous increase in the proportion of aged members up to 6.17 per cent. is not warranted by the facts, there would still be an ample margin. The 2.35 per cent. is, moreover, less than the percentage shown by the table at page 188 of the Report of Lord Rothschild's Committee, though the Registrar explains in the memorandum he has furnished to us (*see* Appendix VI.) that the figures in that table require considerable modification. When the 103,000 is compared with the number of past and present members of friendly societies, it will be seen that it forms only one-third of the total number of those who would be able to show in this manner that they had endeavoured to make provision for themselves.

79. Notwithstanding these considerable deductions, there remains a large number of persons over 65 years of age belonging *prima facie* to the pensionable class, who, according to these figures put together by mechanical methods, could give actual proof of having exercised reasonable providence.

80. It must at the same time be owned that our calculation, though it is based on reasonable hypotheses, is considerably different from the information given to the enumerators of the recent test census in answer to the questions intended to elicit evidence of thrift.

81. According to that calculation, (the remarks on which by the Registrar of Friendly Societies in Appendix VI., pp. 83-89 should be studied), no less than 442,000 aged poor persons would be able to give proof of having exercised providence in some form or other and in some degree or other. In order to compare this number with those who would *prima facie* be eligible in other respects for a pension, we should have to eliminate from the total number of persons aged 65 and upwards—

estimated to amount in 1901 ( <i>cf.</i> paragraph 19), to	No.	1,517,000
(1) those with incomes in excess of 10s. a week, viz., 37 per cent. ( <i>cf.</i> paragraph 58), or	No.	561,000
and (2) those with smaller incomes in actual or late receipt of Poor Law relief, viz., 27 percent. ( <i>cf.</i> paragraph 41), or	410,000	
		971,000
and we then arrive at an estimated number of		546,000

82. On the assumption that none of these persons were disqualified on other grounds, it would seem that 81 per cent. of them ought to succeed in satisfying the Pension Authority on the ground of proved thrift. But in the test census the number of recorded cases avowedly connected with benefit societies was only 6.7 per cent.; and, if we add to that number those who owned to having an income from some other sources (7.6 per cent.), as well as receipts from investments and property (10.9 per cent.), the whole number of actual admissions of presumable thrift would barely exceed 25 per cent. (*cf.* Appendix II.—4, p. 31).

83. We can only suggest that in these respects the information obtained by the enumerators was very incomplete. This is not surprising; for there is nothing that people are more reluctant to do than to disclose their savings, even when disclosure may be to their advantage. Nor is this reluctance unnatural among the labouring classes, when regard is had to the risk of demands for loans or gifts from less thrifty neighbours. Many persons, too, will probably have drawn upon their savings before they have reached the age of 65, and such drafts may have been necessitated by a premature breakdown in health, or may have been prompted by a praiseworthy desire to give their children a superior education or to start their children in life.

84. In any case, however, there must be a considerable number of persons who, though unable to give definite evidence of thrift, may reasonably be expected to show that they have lived lives of "industry" to the satisfaction of the pension authority. This would specially be the case with women. Widows, for instance, who have brought up families, but have had no opportunity of saving or belonging to societies, might certainly qualify by "industry." If for persons qualifying by industry 10 per cent. on the last figure in the preceding Table (442,000) be allowed, or 44,000, the number who might, on the assumptions made, be able to satisfy the authority as regards fulfilling the seventh condition would be raised to 486,000.

85. Taking, therefore, one thing with another, and having regard to the striking testimony which the hypothetical figures bear to thrift generally among the poorer classes, we think it is most probable that comparatively few persons, who succeeded in satisfying the pension authority under the first six heads laid down by the Select Committee, would be unable to adduce some proof of compliance with the seventh qualification. And we believe

that probability becomes almost a certainty when "industry" is held to constitute eligibility as well as "reasonable providence." \* Indeed, it seems only fair and just to assume that, if persons who are left at the age of 65 with such slender means as 10s. a week—(and in many cases less, and much less than 10s. a week)—have succeeded in keeping off the union throughout the preceding 20 years, the bulk of them must during their working lives have been "industrious" or have exercised "reasonable providence," whether at the pensionable age they can or cannot adduce direct proof of being members of benefit societies or depositors in savings banks. In other words, it is tolerably certain that the lazy and improvident folk among the working classes will, by the time that they have reached the age of 65, have frequently had resort to Poor Law relief, or else have found their way to the workhouse.

86. We submit, then, that, when all persons who have been or are, partly or wholly, constantly or casually, dependent on the rates, are rejected as ineligible for pensions, very nearly full account will have been taken of those who would fail to fulfil in one way or another the seventh qualification; and that an arbitrary deduction of 10 per cent. from the residuum should be an ample—possibly a too ample—allowance for inability to prove industry or thrift.

87. In this connection we think that it may be well to refer to the proposal contained in paragraph 54 of the Select Committee's Report, the proposal which, under the original draft submitted by yourself as Chairman, was put forward as an alternative to be investigated, but which the Committee rejected as being too exclusive. This alternative proposal required that a much stricter proof of providence should be forthcoming than the proposal which was finally accepted by the Committee. The requirement was that an applicant for a pension "must either have belonged to a friendly society for twenty years or have secured for himself an income by the exercise of some definite kind of saving or of thrift." It was stated that such a requirement "would greatly lessen the number of pensioners and the cost of the scheme"; and we do not doubt that it would have this effect. But the extent of the lessening of the cost would mainly depend on the construction placed on the words "secured for himself an *income* by the exercise of some *definite kind of saving or of thrift*." If the governing sense of these words be held to be "income"—that is, an appreciable income—then large numbers of those who would presumably qualify under the accepted scheme would unquestionably be excluded under the rejected scheme. We have no means whatever of determining what those numbers might be; but we presume that most of those who had only accounts at Savings Banks would be excluded, and we imagine that the total affected might easily be 50 per cent. On the other hand, if the governing sense of the words be "definite kind of saving or of thrift," which would presumably include members of all other benefit societies besides registered friendly societies, and depositors in savings banks, we think that then the effect of the adoption of the stricter requirement would mainly be to exclude those who might be admitted under the Committee's scheme on the ground of proved industry (*cf.* paragraph 84), and that the difference might be represented by increasing the deduction of 10 per cent., proposed in the preceding paragraph, to 20 per cent.

\* *Cf.* paragraph 70 of the Report of Lord Rothschild's Committee on Old Age Pensions (C. 8911 of 1898), in which they refer to their having been so strongly impressed by the fact "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." *Cf.* also the conclusion of an experienced authority on Poor Law quoted in "Our Treatment of the Poor," by W. Chance: "The working classes of this country provide, to a great and increasing extent, for the future, not only as regards sickness, but as regards old age as well. They invest largely in the purchase or erection of cottages, in freehold land securities, Post Office and other savings banks, gas shares, money clubs, co-operative societies, and such other ways as are open to them." *Cf.* likewise Mr. Chamberlain's opinion quoted in the Report of the Royal Commission on the Aged Poor (C. 7,684 of 1895, p. xv): "As regards the great bulk of the working classes during their working lives, they are fairly provident, fairly thrifty, fairly industrious, and fairly temperate."

(2.) *Scotland.*

88. The definite evidence of thrift shown by the number of members of societies and depositors in savings banks in Scotland is, relatively, not so great as in England. The numbers are as follows:—

Members of registered Friendly Societies -	-	348,000
" Building Societies -	-	43,000
" Co-operative Societies -	-	259,000
" Trades Unions -	-	71,000
Depositors in Savings Banks -	-	778,000
		<hr/>
		1,499,000

89. Of this aggregate number (which does not include members of unregistered Societies), 108,000 may be estimated as being over 65 years of age, as compared with 217,000, the total population above that age. No one, however, will doubt that the Scottish people in general are far more thrifty than the English, and we adopt for Scotland, without hesitation, the same arbitrary deduction of 10 per cent. from the pensionable residue as amply sufficient to cover the number who, being otherwise qualified for pension, will fail to satisfy the pension authority as to industry or thrift.

(3.) *Ireland.*

90. With respect to Ireland, the same observation as to definite evidence of thrift is applicable. The following is a computation of the number who belong to Benefit Societies or have accounts at Savings Banks:—

Members of Friendly Societies -	-	73,000
" Building Societies -	-	16,000
" Co-operative Societies -	-	11,000
" Trades Unions -	-	9,000
Depositors in Savings Banks -	-	392,000
		<hr/>
		501,000

91. Of this half million (which does not include members of unregistered Societies), 37,000 may be assumed to be over 65 years of age, out of a total population of 282,000 above that age. The reason why the Irish population should present so small a proportion of that definite evidence of thrift which is derived from membership of societies, as compared with that presented by the English and Scotch populations, is well known. It arises more largely from a difference in circumstances and in habits of life than from any real want of the instinct of saving. The Irish peasant, while he makes good use of the savings bank, finds little occasion for friendly societies and similar organised forms of thrift. His savings are to a very large degree directed to investments in land and in loans to individuals in connection with industrial or commercial undertakings. We see no reason to anticipate that the proposed deduction of 10 per cent. will be insufficient for Ireland.