

## VII. SUMMARY OF ESTIMATES OF COST.

155. It will be convenient if we finally summarise the estimated financial effects (in round figures) of the Pension Scheme propounded by the Select Committee for Aged Deserving Poor, on the several assumptions that the pensionable age is fixed (1) at 65, as recommended by the Committee, and also (2) at 70 and (3) at 75.

(1.) *On the assumption that the Pensionable Age is fixed at 65.*

YEAR.	England and Wales.	Scotland.	Ireland.	United Kingdom.
	£.	£.	£.	£.
1901 - - - - -	7,550,000 (par. 99.)	1,400,000 (par. 102.)	1,350,000 (par. 104.)	10,300,000
1911 - - - - -	9,600,000 (par. 112.)	1,600,000 (par. 115.)	1,450,000 (par. 119.)	12,650,000
1921 - - - - -	12,300,000 (par. 113.)	1,850,000 (par. 116.)	1,500,000 (par. 120.)	15,650,000

(2.) *On the assumption that the Pensionable Age is fixed at 70.*

YEAR.	England and Wales.	Scotland.	Ireland.	United Kingdom.
	£.	£.	£.	£.
1901 - - - - -	4,200,000 (par. 149.)	850,000 (par. 149.)	900,000 (par. 149.)	5,950,000
1911 - - - - -	5,450,000 (par. 150.)	1,000,000 (par. 150.)	1,000,000 (par. 150.)	7,450,000
1921 - - - - -	7,300,000 (par. 151.)	1,150,000 (par. 151.)	1,100,000 (par. 151.)	9,550,000

(3.) *On the assumption that the Pensionable Age is fixed at 75.*

YEAR.	England and Wales.	Scotland.	Ireland.	United Kingdom.
	£.	£.	£.	£.
1901 - - - - -	2,050,000 (par. 152.)	450,000 (par. 152.)	450,000 (par. 152.)	2,950,000
1911 - - - - -	2,700,000 (par. 153.)	500,000 (par. 153.)	500,000 (par. 153.)	3,700,000
1921 - - - - -	3,750,000 (par. 154.)	650,000 (par. 154.)	550,000 (par. 154.)	4,950,000

## VIII. CONCLUDING REMARKS.

156. In thus summarising the results of our investigations, we ought to say that, though we have felt bound to frame the estimates in accordance with the well-known rule that all estimates of liabilities should err (if at all) on the side of being rather over than under the mark, we have also been anxious to avoid giving an unduly magnified idea of the cost which the scheme of the Select Committee, or modifications of it, would involve. We are most conscious that our conclusions, founded mainly on hypothesis, or rather on a series of hypotheses, are open to criticism. It will, no doubt, be thought that we have attributed too much to some of the causes directly affecting the cost, and not enough to others. One error, however, is apt to correct another in problematical calculations: and, therefore, we would fain believe that sufficient reliance may be placed on the net results to give Her Majesty's Government a fairly approximate idea of the financial aspects of the questions raised in the Report from the Select Committee of 1899.

157. At the same time, we cannot conceal from ourselves the fact that there are unknown quantities which must seriously affect our anticipations.

158. There are many persons whose incomes are just over the border-line of 10s. a week; and it will be to their advantage to understate their receipts. It will equally be to the advantage of others to assign away portions of their incomes or income-producing properties—a step to which frequent resort would, as we have already indicated, almost certainly be had in Ireland. Indeed, the position of anybody whose weekly income just exceeded 10s. would be so hard as to make the retention of a hard-and-fast line exceedingly difficult.

159. There will be an inevitable tendency to reduce the wages of aged present employees, as well as the pensions of aged past employees, when such a reduction would benefit both employers and employees; and this would be the case when the receipts of the aged persons slightly exceeded the pensionable income. For similar reasons, the contributions of children and other relations towards the support of old people would infallibly fall off.

160. Meritorious poor people who had not reached the pensionable age would presumably be considered to have stronger claims on charitable funds than the more aged who would be secure of their pensions; and consequently a larger number of old persons, by losing the aid of charity, would fall within the category of pensioners. Moreover, knowing that the aged deserving poor would be provided for by the pension scheme, the well-to-do would have less reason to subscribe to charities; or if they continued their subscriptions, they would be more likely to concentrate their efforts in helping persons to keep off the rates during the 20 years preceding the pensionable age, and thus increase the number of those who would be able to satisfy the pension authority.

161. Again, it is only too probable that persons, who might be approaching the term for applying to that authority, would "make the most of their ages"; while those who had succeeded in satisfying the authority might underbid their younger competitors in the labour market, and a reduction of wages would tend to augment the number of persons whose incomes fell within the pensionable limit.

162. Lastly, it may reasonably be hoped that, under improved and improving conditions of life, existence will, to some extent, be longer in the future than it has been in the past; and, should that expectation be realised, the calculations in Appendix V. respecting the aged populations would be thrown out.

163. These are some of the incalculable, but, in our opinion, certain, results of the establishment of a pension scheme, which would all tend either to bring down to the pensionable level those who are now above it, or to raise up to it those who are now below it, and which would thus swell the pensionable