

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 for the Legislature to make commutation compulsory by breaking existing contracts. (3.) They contemplate that members of friendly societies are to be entitled to preferential treatment over persons who have deposited their savings in co-operative societies, building societies, or savings-banks, or applied them to the purchase of cottage property, or to any other form of provident investment. Examining the position of friendly societies, the Committee say "that the Order as a whole is not liable to make up the deficiency of a branch. Even if the financial consideration were disregarded, it would be a direct premium on bad management if the State required from a solvent branch its full contribution as a condition of pensions to its members, while at the same time it paid pensions to the members of an insolvent branch unable to make any contribution. As for *Trade-unions*, their funds, as a rule, are not hypothecated to any particular purpose, but are subject to liabilities entailed by trade disputes; and they are not corporate bodies liable to be sued for the breach of a benefit and obligation." It is clear that, as at present constituted, trade-unions would be an insecure foundation on which to build a system of State-aided pensions. "After careful examination of all the schemes which seemed worthy of attention, we were very reluctantly forced to the conclusion that there was not one of them, whatever its particular merits, which would not ultimately injure, rather than serve, the best interests of the industrial population." The Committee therefore proceeded to consider, with a view of making it their own, a scheme suggested by Sir Spencer Walpole. In a memorandum appended to the Report, Sir Spencer records his opinion "that insufficient prominence has been given to the many advantages which would ensue from a broad and liberal arrangement for the providing for the old age of the industrial classes." In a further memorandum the scheme is outlined. It was prepared with the object of satisfying the conditions of reference and of avoiding the objections which prevented the adoption of the other scheme. The Committee describe it as Scheme A. After discussion in Committee it stood thus: "(1.) Any person, who, on attaining the age of 65, possesses an assured income of not less than 2s. 6d., and not more than 5s. a week, may apply to the pensioning authority for a pension. (2.) It shall be the duty of the pensioning authority, unless it has reason to believe that the assured income of the applicant is either less than the smaller or more than the larger of these sums, to grant the applicant a pension if eligible. (3.) A person shall not be eligible for a pension who requires, in the opinion of the pensioning authority, from his physical or mental infirmity, relief in an asylum, infirmary, or as inmate of a workhouse. (4.) A person to whom a pension may be granted shall receive the following sums from the pensioning authority: If his income be 2s. 6d., and less than 3s., an additional 2s. 6d. a week; if his income be 3s., and less than 4s., an additional 2s. a week; if his income be 4s., and less than 5s., an additional 1s. a week. (5.) 'Assured income' means an income derived from one of the following securities: (a.) Real estate. (b.) Leasehold property, the unexpired term of the lease being not less than thirty years. (c.) Any security in which trustees are authorised 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 registered 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 shall be 'assured income.' (6.) Subject to the observations in paragraph 37, the Poor-law Guardians of the district in which the pensioner resides shall be the pensioning authority. (7.) The pensions shall be payable from the local rates, and a proportion of not more than one-half of the cost shall be made good by the State. (8.) The receipt of a State-aided old-age pension shall not involve the forfeiture of any civil rights." The demerits and merits of the scheme are these: "It (1) imposes on the State generally, and therefore on the industrial classes, a heavy charge for providing pensions for a portion only of these classes; (2) encourages that amount of thrift only which is required to insure an income of 2s. 6d. a week at 65, but discourages any further thrift; and (3) by relieving the industrial poor from the obligation of wholly providing for their old age probably tends to depress the wage-rate, but, on the other hand, (1) it is capable of being brought into immediate operation, at any rate to some extent; (2) it leaves the industrial classes free to save in their own way; (3) it requires no difficult investment of accumulated funds by the State; (4) it offers the public aid to all persons of the industrial classes who can make the required contribution." As to the provision that the poor-law local authority should be also the pension authority, it appeared that the Poor-law Guardians in a union district were the one body who possess the requisite machinery for investigating applications for preventing any clashing between poor-law and pension administration; and could best decide whether a person from physical or mental infirmity required indoor relief rather than a pension. Discussing the objections, the Committee point out that applicants for pensions would be encouraged to apply for a grant from the rates, and a system intended to promote thrift, foster independence, and discourage reliance upon the rates, would tend in the opposite direction, and be liable absolutely to increase the pauper rôle. But whichever authority be chosen, it will find the administration of the pension system a task presenting enormous difficulties, and which could not be avoided, "unless the whole of the public assistance were given out of the State funds; but in that case there would be little or no security for the careful administration of the pensions by the local authority." If a general scheme of investigation could be devised so as to check wide-spread fraud and abuse in certain specified cases, "it would require so large and so highly organised a staff as seriously to increase the total cost of the pension scheme." The total annual cost of Scheme A would be difficult to estimate. In round numbers there are now 2,000,000 people of pension age (sixty-five) in the United Kingdom, one-third of whom would not require it, and leaving 1,330,000 to be assisted. "What proportion of these 1,333,000 persons would be in a position to avail themselves of the benefits of a scheme