WILEY

Le Problème des Retraites Ouvrières Envisagé au Point de Vue Financier by Albert Jouve
Review by: E. B.

Journal of the Royal Statistical Society, Vol. 72, No. 1 (Mar., 1909), pp. 132-133

Published by: [Wiley](#) for the [Royal Statistical Society](#)

Stable URL: <http://www.jstor.org/stable/2339960>

Accessed: 25/06/2014 09:30

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at
<http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Wiley and Royal Statistical Society are collaborating with JSTOR to digitize, preserve and extend access to *Journal of the Royal Statistical Society*.

<http://www.jstor.org>

11.—*Le problème des retraites ouvrières envisagé au point de vue financier.* Par Albert Jouve, docteur en droit. 237 pp., 8vo. Paris : Rousseau, 1907.

Dr. Jouve adopts the view that, in the present economical conditions, the workman by his unaided endeavours cannot save enough to provide for his own old age or invalidity. He proposes to himself the problem whether by means of a sound financial system of compulsory or voluntary assurance the workman could be enabled to do so. To solve it, he enters upon a technical study of the methods of insurance. Taking the hypothetical case of an insurance fund, the members of which increase by 100,000 each year, attaining the age of 25, that is to say, a perfectly stable population, he finds the ultimate result would be that out of a total number of 4,000,000 members, 700,000 would be pensioners at 65 years of age. In a decreasing population, the proportion would be greater. These figures are arrived at from a table, known as "Table C.R.," based on the experience of the Caisse nationale des retraites pour la vieillesse, and an application of the same table to the working population of France, estimated at 9,000,000, would produce as many as 2,218,000 of the age of 60 and upwards. It is suggested, however, that a table derived from the experience of annuitants, who are selected lives, would give a much lower rate of mortality, and therefore a much higher rate of survival, than one based on the experience of the general population, still more perhaps in the case of one based on the experience of the working population. Comparison with other French tables reduces the figure to 2,048,000 and 2,080,000; and tables representing the mortality in Italy, Germany, and Switzerland still lower, in one case to 1,697,000. Other calculations reduce this figure as low as 762,000; but Dr. Jouve shows that these are not trustworthy.

In commenting on the financial resources from which these pensions are to be met, he says that it is curious to see a country like England repudiating the principle of a personal contribution from the workman, and adopting that of paying the pensions exclusively from the general budget; he contrasts it with the German system of combined contribution by the workman, the employer, and the State, an arrangement which he considers to be financially necessary if the pensions are to be at all adequate in amount. He proceeds to consider at length the theoretical methods of determining what the respective contributions should be; and determines, quite justly, that each generation ought to raise the funds to meet its own obligations. With regard to the State subvention, though he holds that theoretically it ought to be by way of a contribution towards the premiums, he concludes that the more practical method is by way of an increase of the pensions upon a scale determined beforehand: inasmuch as the power of raising the necessary funds by taxation is in itself the equivalent of a reserve fund.

Dr. Jouve illustrates his argument by an enquiry into the experience of Germany, and the various projects that have been submitted for consideration in France; and arrives at the conclusion that no system will be practically successful which attempts an

absolute theoretical consistency. You must combine the good features of several systems if you wish to avoid the dangers to which every system is exposed. The basis of any sound system, however, must be one of capitalisation, as that is the only rigorously scientific principle.

One of the difficulties attending a system of capitalisation, and that not a negligible one, is the difficulty of investing large funds; and this Dr. Jouve proceeds to consider in the third part of his work. According to an actuarial note appended by M. Guieysse, Minister of Commerce, to his Report for 1904, the capital sum ultimately arrived at would be 800,000,000*l.* It is true that the maximum would not be reached till after eighty years or so, and that it is to be hoped the wealth of the country will be growing in the interim. Here, again, Dr. Jouve seeks enlightenment from the experience of Germany, where by 1902, 50,000,000*l.* sterling had been accumulated and invested at a rate of interest exceeding 3½ per cent. At the end of 1903, 18,000,000*l.* of this sum had been applied to local improvements, sanitary and philanthropic works, workmen's dwellings, hospitals, sanatoria, and the like: and he warmly advocates this method of investment as preferable to that of the purchase of Government securities.

The fourth part of the book relates to the ways and means necessary to be provided to maintain the equilibrium of the budget from the point of view of the State. He forecasts an annual charge rising from 9,916,000*l.* to a maximum of 14,484,000*l.*, and then diminishing to a settled sum of 6,300,000*l.*, as the portion of the cost which the State will have to provide.

Dr. Jouve's conclusion is that from the financial point of view, the question of workmen's pensions appears singularly complex, and raises difficulties of principle and of organisation, which are among the most delicate that the French legislature has had to resolve for a long time past. The first of these difficulties is the absence of technical data sufficient to establish the system upon an exact basis. Another is the question of the financial system to be adopted for the interior mechanism of the fund. The author's patient and thorough study of the points involved in the solution of these various difficulties cannot fail to be of the greatest value. In summing up the result of his labours, he calls to memory a wise utterance of Léon Say:—"Si le cœur doit être le moteur des institutions de prévoyance, c'est la science qui doit en tenir le gouvernail."

E.B.

12.—*Problems of unemployment in the London building trades.* By Norman B. Dearle. xx + 215 pp., 8vo. London: J. M. Dent and Co.

This is a close and detailed study of the conditions of employment in the London building trades which reveals the facts that the industry is depressed, that it suffers from casual employment, that a large number of operatives (Mr. Dearle calls them "hands") engaged in the various branches are badly trained, that the trades are largely recruited from the provinces, that apprenticeship has