



Written by [Bruce Walker](#) on July 14, 2011

British Retirees (“Pensioners”) Costing Too Much

The notion that government can keep robbing Peter to pay Paul indefinitely was always unrealistic. The creation of “entitlements” did not happen in America under FDR, as many people think. Bismarck, the Iron Chancellor of militaristic Imperial Germany introduced old age pensions, workers compensation, and related state programs in an effort to placate German socialists, which were a major power in German politics.



While society agrees, generally speaking, that the sick, the aged, the orphans and the disabled should be cared for rather than left to die, that responsibility, historically, has rested upon social and moral foundations rather than legal rights. Families, more than any other institution, cared for the elderly and the disabled. Not only did families undertake this obligation, but families also made the lives of the old or the handicapped useful.

Grandparents, for example, are a priceless gift to growing children. If the family unit is stable and grandparents are welcomed into it by their children, a multi-generational care network is feasible, wherein grandparents can tend to their grandchildren. How many daycare centers, with their dreary diet and dull routine, could be rendered unnecessary if a substantial number of grandparents lived with their children or close by them? How much joy does helping raise grandchildren give to these old folks? The same is true of children (who used to help on the family farm or in the family business) including children with some handicap (who have the dignity of value added to the comfort of working within a family.)

Where families failed, churches often stepped in. A quick review of local hospitals in most cities shows the active charity of Catholics, Protestants and Jews. (Even the names of many hospitals reflect this religious connection: e.g., St. Vincent’s Medical Center; New York-Presbyterian Hospital; Barnes-Jewish Hospital.) In a healthy society, those who do well financially naturally wish to help those around them. Charity is enjoined to Christians and to Jews and a serious acceptance of those moral duties has the practical effect of eliminating the need for government to help many people in need.

When government usurps this role of family and of faith to care for those in need, then one natural consequence is that families that once needed to stay together instead fragment. Often children enter the world without, effectively, a family — just a mother who may have children by other fathers and who depends upon government to care for them. The monstrous growth of bastardy shows just how serious the problem of fatherless children is in Western society.



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Older people, too often separated from their children, rely upon government payments as their income. In America, the Social Security System is the de facto retirement plan for huge numbers of Americans — and these Americans vote, and quite understandably demand that the money forcibly extracted from them during their working careers be at least partially repaid. So, despite actuarial projections that show that the ratio of young working people (paying into the system) and recipients is untenable, few politicians here have the guts to try to privatize the system.

What is true in America is true also in Britain. The Office for Budget Responsibility has issued a report which formally states what is obvious to clear minds:

The public finances are likely to come under pressure over the longer term, primarily as a result of the ageing (sic) population. In the absence of offering tax increases or spending cuts this would eventually put public sector net debt on an unsustainable upward trajectory. It is likely that such a path would lead to lower long-term economic growth and higher interest rates, exacerbating the fiscal problem. The U.K., it should be said, is far from unique in facing such pressures.

The public sector debt in Britain in the next year is expected to be 66% of the GDP of 2012. The Office for Budget Responsibility has said that public sector debt, unless there are changes in old age payments, will hit 100% of GDP by 2058. What is being proposed in Britain? Raise the retirement age for public sector workers from 60 to 66 and increase the employee contributions to their public sector pensions.

As so often is the case with collectivist programs, something very good in life has been turned into a nasty problem. The reason why aging populations are taking so much out of the public fisc is because we are living longer. Life expectancy has steadily grown over the last half century, although the logical response to that — raising the retirement age to correspond to the longer health lifespan — has been shelved by those who want as many of us as possible dependent upon Big Brother.

Photo: A pensioner protests outside the Houses of Parliament in central London, against the British government's refusal to compensate victims of collapsed pension schemes.: AP Images



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