THE CANADIAN GOVERNMENT'S OLD AGE ANNUITIES.

The Canadian Government's old age annuities scheme, established by the Government's Annuities Act of 1908, has now been in operation about eighteen months, and an Ottawa message states that annuities to the value of $650,000 have been sold, the average annuity being one of $250. Approximately one-third of the annuities have been purchased by women.

There is nothing of an eleemosynary character about the Government annuities scheme. Sir Richard Cartwright, the Minister under whose auspices the scheme has been brought into operation, laid down the principle some years ago that, unless annuities are to be adequately paid for by those who receive them, providence and thrift will be discouraged. There are many who agree with this view, especially in the case of a scheme of annuities operating in a country, where conditions are entirely different to those in Europe—a new country where opportunities are manifold. The Government transacts the business free of all cost to those taking the annuities, but beyond this there is nothing in the shape of a State subvention of the scheme; the annuities are fully paid for by those receiving them.

The Canadian annuities scheme resembles more closely that of Germany than any other, but differs in several important particulars. In Germany, where, as mentioned in THE CHRONICLE of last week, the principles of workmen's insurance, etc., have been carried probably farther than in any other country, the Act regulating annuities is of a compulsory character. The German Act makes it obligatory upon every person in regular employment and receiving less than $500 a year, to purchase an annuity. The employer is held responsible for the purchase of annuities for all his employes and for the payment of the premiums, and is authorized to deduct the workman's share from his wages. The number of persons insured under the German Law in 1907, the latest year for which figures have been received, was about fourteen millions and during that year the total contributions of employers and employes amounted to over forty millions of dollars. The Government bears the expense of the Department and, in addition, makes a contribution towards the annuity. The scheme has been remarkably successful, a fact which, it is thought, may partly be attributed to its being compulsory. The Canadian scheme is not compulsory, but, at the same time it is hoped that employers will voluntarily co-operate with their employes in order that their men may have the most favourable opportunities for subscription to these annuities. This aspect of the annuity scheme is being strongly urged by Mr. S. T. Bastedo, the superintendent of Canadian Government annuities, who recently delivered an address on the subject before the Employers' Association of Toronto. The address has now been reprinted, and explains in detail various arrangements which may be made by an employer with his employe with a view to providing for the old age of the latter.

The annuities may be contracted for on two plans, "A" and "B." Under plan "A," in the event of death before the first payment of annuity falls due, the total amount which the annuitant has paid in, with 3 p.c. compound interest, will be refunded to his or her legal representatives; under plan "B," where the same annuity is obtainable for smaller payments, there will be no return in the event of death before the annuity becomes due. The whole procedure of the scheme has been made very simple. All that a person need do is to deposit from time to time in any money order office through the medium of a pass-book, such sums as he may set aside for the purpose; or if he prefers, these sums may be remitted direct to the Department. They will accumulate at 4 p.c. compound interest and at the date fixed for the annuity to begin, such an annuity as the total amount at his credit will purchase, will be paid to him quarterly. The minimum amount of annuity which may be purchased is $50 and the maximum $600. The earliest age at which the purchase of an annuity may be begun is 5. The earliest age at which an annuity may be payable is 55, except that should invalidity or disablement occur and the purchaser have at his credit sufficient to purchase an annuity of not less than $50, the annuity that his payments will buy may then be paid to him though he be under 55. There are no lapses and no penalties, and the amounts which have been paid in cannot be withdrawn. Any person over the age of 55 years may buy an immediate annuity, that is, an annuity to begin three months after purchase is made.

This is the scheme in outline; there are other provisions by which guaranteed and last survivor annuities may be provided for. No medical examination is required and, under the Act, fraternal, religious, benevolent and other societies may contract for annuities for their members. So that the scope of the annuities is made very wide. To a considerable extent, no doubt, the success of the scheme will depend upon its becoming well-known. In England a somewhat similar scheme of annuities worked in conjunction with the Post Office Savings Bank, is hardly ever heard of and is taken advantage of to a very limited extent for the simple reason that it has never been advertised except in the most formal way. In Canada that mistake is not being made and the annuity scheme is being pushed with energy.

A great deal, it would appear, depends upon the attitude of employers. Should they participate to any considerable extent in the part-payment of their employes' contributions, the success of the scheme will be made much more easy; for it may well be doubted, whether, left to himself, the average man for whom the scheme is designed, will show himself particularly eager to use it. Life insurance companies operating in Canada who sell annuities on the instalment plan have not it would appear, met with a very considerable response, and the single Canadian company, which made a specialty of annuity business, has retired from the field, after it had undertaken regular insurance in addition, as the offering of annuities alone met with too scant response to warrant continuance on the lines originally contemplated. The Government scheme has not the powerful aid of the personal canvasser, aid which, as has been frequently proved in the case of insurance companies, is entirely essen-