

other hand current loans and discounts outside Canada decreased slightly for the month and are \$1,266,982 less than a year previous.

Since January, 1906, the banks have added \$82,849,259 to their aggregate loans to the public, these now standing at \$694,014,521 while deposits of the public total \$637,871,046. As to total assets, there has been a year's increase of \$108,377,507, the aggregate amount being \$931,336,958. The paid-up capital amounts to \$96,051,689, an increase over January, 1906, of \$10,249,102. The increase in reserve fund has been \$9,372,499 during the year, and the total now reaches the sum of \$69,396,431.

OLD AGE PENSIONS AND STATE INSURANCE.

The discussion at Ottawa upon Mr. R. H. Pringle's Old Age Pension resolution furnished opportunity for reference to state life insurance also. And, doubtless, while the Royal Commission's report is under consideration by the House, much more will be heard from the advocates of government insurance. To grant the desirability of state help to the aged is far from admitting the expediency of government life insurance. Indeed, arguments might be adduced to show that if old age pensions from the state are really necessary, they would almost give rise to an additional reason for the government's *not* undertaking life insurance as well.

A word first, however, as to certain practical difficulties in the application of the old age pension plan. The quoted experience of New Zealand—that instructive “experimental station” for all that is new in governmental activity—has scarcely yet been sufficient to establish the plan's ultimate worth or unworth to the commonwealth. This at any rate is noteworthy, that since the establishment of the system in 1898, the government has found various modifications necessary as the working of the law exposed various defects. The New Zealand plan is based entirely on state contributions, while the German system calls for compulsory contributions from employes and employers alike, supplemented by state aid. But whether either of these paternalistic methods would be for the best interests of Canada is gravely open to question. The old-time doctrine was that the state should not be asked to do for the individual what the individual could do for himself. Of late there have been many departures both in the old world and the new, from this old fashioned idea, and all sorts of state and municipal enactments and undertakings have been attempted in consequence. But where the socialistic extremes have been most in evidence there seems already a swinging back of the pendulum of public opinion.

But whether socialism as generally understood is favoured or condemned, it cannot be ignored

that the state must ever be concerned—in its own behalf—with those who reach old age without means of subsistence. Aside from altruistic motives there must be a taking care of those who are really incapable of taking care of themselves. Still, in devising the scheme that will meet this necessitous social condition, the greatest care is required lest such encouragement be given to unthrift as to increase the class of the indigent old-aged. Whatever the shortcomings of present conditions, the necessity of personally providing for old age is doubtless some incentive to industry and thrift. To assure indiscriminate bounty to all who reach the age of 65 or 70 might well tend to encourage indolence and prodigality among the less ambitious, and to discourage habits of thrift—including the carrying of life insurance.

And here we return to the relation between government pensions and state insurance. In the last available annual report of the New Zealand Department, the government actuary makes reference to the growing difficulty of obtaining new business, and the consequent advance deemed necessary in agents' commissions. It would be interesting to discover whether the prospect of support in old age is not partially responsible for the public's apparently decreasing desire to avail itself of government life insurance. Whatever may be the facts as to this, there is a converse principle that is scarcely open to contradiction. It is this: that the more widely and generally the public avails itself of life insurance—particularly in its endowment form—the less will be the expenditure necessary for state help to the aged in years to come. If it is deemed right and necessary in the future to establish some system of state pensions for the aged, it is of direct importance that the financial drain upon the state shall be kept as moderate as possible. Whatever tends, therefore, to the most widespread diffusion of voluntary life insurance among the public is certainly contributing to the most economical solution of the state's problem of old age provision. Now whatever advantages can be premised as to state life insurance, practical experience has not shown it to result in a more widespread distribution of life insurance than company organization.

Where government insurance is offered without recourse to agents, the results have been most meagre. A case in point is the insurance of Civil Servants by the Dominion Government, offered at low rates based on a 6 p.c. reserve valuation. Another instance is found in the Post Office insurance policies of Great Britain. New Zealand has recognized the business-getting necessities of the case and, with the courage of conviction, has entered into the life insurance field with what is