

discount the future at a very high rate; the feast of to-day is followed by the inevitable famine of tomorrow; and nearly all men have some survivals of child and savage in them.

On the other hand, there are strong factors making for saving. First, just as the man with a scanty income has little option but to spend it at once, so the millionaire has little option but to save a large part of his income. His savings heap up automatically, unless he is a reckless spendthrift or philanthropist, or unfortunate in his speculations. Again, as to motivated or non-automatic saving: one motive is the desire to provide for oneself, and one's family after one's death. This desire may go no further than to ensure the wolf being kept a safe distance from the door: it may go to the extent of desiring to "found a family," to enable one's children to enter some charmed aristocratic or plutocratic circle. Or, saving and heaping up of capital may be motivated by the desire for the power that wealth gives, the desire to prove one's prowess by adding millions to one's pile as our Indian predecessors once added scalp-locks to their belts. Finally, there is the inducement which interest offers, the compensation it affords for the temporary sacrifices involved.

The fact that interest, as just indicated, is only one of the motives to saving, has led some writers, Foxwell and Hobson, for example, to suggest that there might be little diminution of saving if interest fell to zero. Consider the effect of this fall on different classes of savers. The millionaire would continue to set aside as unspendable part of his income; the man who is saving to support old age, may even try to save a larger amount, since, with interest at ten per cent., \$20,000 would have sufficed to provide the \$2,000 he regards as the minimum income, whereas, with interest at five per cent., it will be necessary to save \$40,000 to secure the same income—(will he or can he, however, double his savings, or will he cut down his minimum estimate?) Only that part of saving which is made largely for the sake of the interest, or at least stimulated by the attraction of a high rate of interest, will be affected. The remarkable steadiness of the rate of interest prevailing, referred to in the next section, perhaps indicates that this latter type of savings is more important than is sometimes supposed, and that a falling off in this division would not be made up by any possible increase in the second or saving-for-a-definite-competency division.

The supply of loanable capital depends largely on the relative force of the motives for saving versus the motives for spending, in brief, on the rate at which men discount the future.