These pensions are established on two principles—on a capital alienated, or on a capital reserved. In the former case the annuity is higher, but the capital is lost. In the second the annuity is smaller, but the capital paid returns to the heirs of the depositor at his decease.

It would be easier and, at the same time, more advantageous to accept, up to fifty years, only deposits on a capital reserved. The depositor, except in cases of grave wounds, cannot draw his pension before the age of fifty years. He is then up to that age indifferent about getting his pension increased. On the other hand, he may die before fifty years, and his family would then inherit the sums paid.

On the other hand, the depositor will, at fifty years (when it is more than probable that his children are either grown up, or sufficiently grown to provide for their own needs), have the right of alienating his capital and receiving the highest annuity possible.

The depositor is not forced to take his pension at fifty years. On the contrary, it is to his interest to draw it as late as possible, the increase being much greater after fifty years than before; and if his strength still allows him to work he defers the date of his drawing from year to year. He is, however, obliged to take his pension at sixty-five years.

Payments made during marriage are, except in cases provided for by law, payable half to the husband and half to the wife, who can then pay up to the time when the figure of their pension attains the maximum. Half the annuity ends with the death of one of the parties.

The following figures will give an idea of the advantages which employés in Canada would derive from a similar institution. A young man of twenty years, paying 10 cents a week, would have a right to different annual pensions as follows:

	At 50 yrs.	At 60 yrs.	At 65 yrs.
Reserved capital....................	$ 19 25	$ 47 75	$ 82 40
Alienated capital....................	27 65	69 05	123 25
He would have paid................	156 00	208 00	234 00

Taking as example one of the most frequent cases which are found—that of a child in whom has been inculcated notions of economy, and who would put in the bank every week 5 cents from fourteen years to twenty years, 10 cents from twenty years to twenty-five years, 25 cents from twenty-five to the age of his retiring,—his pension would be payable as follows:—

	At 50 yrs.	At 60 yrs.	At 65 yrs.
Capital reserved.....................	$ 51 12	$ 110 62	$ 190 16
Capital alienated.....................	63 27	164 85	287 19
He would have paid................	366 60	496 60	561 60

But it may happen that at fifty years a man quite capable of earning his bread could not, however, earn enough to continue his payments. In that case it is permissible to him to cease his payments, keeping back, at the same time, the day when he will receive his allowance, which will naturally be a little lower than the figures above.

But if the assured dies, what, it will be said, will become of his widow?

Let us take, for example, the last case of assurance, and suppose that the man assured, having married at twenty-five years, dies at forty. He will have paid to that time $236.60, and as the investments will have been made on capital reserved, the widow will receive $236.60, or if she prefers it she can take the part belonging to her husband, say $139.10, and keep for herself an investment for retiring of $97.50.

The results obtained by accumulation of capitals placed at compound interest and increased by the chances of mortality are remarkable. We will give some examples drawn from tables of the French Caisse de Retraite, calculated at a rate of 4 per cent., and according to the mortality table of Deparcieux:—