

these bear to the assets exhibit the financial condition of the company or firm. The excess of assets over liabilities, or liabilities over assets, indicates respectively strength or weakness. In considering the financial position of a country attention is usually given almost exclusively to its debt, or liabilities, the value of the national assets being not sufficiently considered. In some cases this arises from a national debt representing expenditures for war which have led to results of enormous value, but which are intangible. Great Britain has little to show for its enormous debt but national existence, and national honour, and national prestige; to maintain these its treasure was poured out, and for these the burden of the debt is cheerfully borne. Canada stands in a wholly different position. It would be possible to make out her balance sheet like that of a trading firm, as her assets could be scheduled in detail like her liabilities. Were this done it would be found that the properties owned by Canada have a present value equal to, at least, the great bulk of the public debt, and it would be shown that the larger part of that debt was incurred on the acquisition of properties which are of inestimable value to the commerce of the Dominion. The gross debt of the country at close of last year was \$332,530,131, as shown in the table appended. Against this there are cash assets held for \$70,991,534, making the net debt \$261,538,596. The gross debt carried interest at 3.20 per cent., and the assets earned 2 per cent., leaving the net interest on the debt 2.76 per cent., the amount of such interest for 1897 being \$9,202,660. At the establishment of Confederation the net debt assumed was \$75,728,641. The net increase of the debt since the Dominion was founded has been \$185,809,955. The total expenditure in that period on canals, railways, public buildings, wharves, and other public works was \$167,314,384. These are national properties from some of which a direct revenue is derived, and others contribute services to the commerce of the country far exceeding in value the annual cost of that portion of the debt incurred in their construction or extension. Besides these outlays for providing the country with traffic and trade conveniences, the Dominion has increased its debt by easing the several Provinces of their debts to the extent of \$30,743,392. The debts so allowed to the Provinces represent to a large extent local expenditures on works of public utility of permanent value. This also may be said of the main portion of the debts assumed at Confederation, amounting to \$93,046,051, with assets of \$17,317,410. From such figures it may reasonably be concluded that the net debt of Canada of \$261,538,596 is represented by tangible, material, and permanently valuable property assets, the services of which, direct and indirect, to the business necessities of the people are literally invaluable; they are essential to the commerce of the Dominion; indeed the very existence of Canada as a trading country depends upon those public works, the cost of providing which is largely represented by the public debt. As

the burden of a country's debt is felt by the people almost wholly by the pressure of its annual cost, it is notable this annual cost has not increased proportionately with the increase of the debt owing to the gradual decrease in the rate of interest it bears. As a defence of the policy of increasing the debt of the Dominion, this is not likely in the future to be available, as the probability is that the gradual decrease in the rate of interest which occurred in the last twenty years will not be continued, any increase therefore in the debt should only be made under the most urgent necessity.

THE CINDERELLA OF INSURANCE.

A Popular Night at the Institute of Actuaries.

We follow up our article of last week on Mr. Rea's paper with a few of the *obiter dicta* of the discussion that took place after the paper had been read, as reported in the July number of the *Journal of the Institute of Actuaries*.

Mr. A. H. Bailey said that the material difference between industrial and ordinary assurance was to be found in the fact that so large a proportion of industrial assurance was on the lives of children, an experience that the ordinary office has nothing of. Mothers care very much for what they call a "decent funeral" for their children, and fathers are always willing to pay the penny a week. And so what is called industrial assurance began with the children, went on to the mothers, and ended with the fathers. It is very noticeable that the number of women assuring to the number of men is somewhat in the same proportion, as the census returns of the population showed, for the whole country. In ordinary assurance about ten per cent. only were on the lives of females. The singular thing is that the average premium is under two-pence a week, and the average amount insured about £10. By far the commonest premium is one penny a week, and it is these pennies which in particular instances have produced such enormous premium incomes.

The thing which excited his (Mr. Bailey's) indignation more than anything else was the shameful way in which some people, who should know better, said that men and women insured the lives of their children in order to poison them, and get the £10. It was utterly untrue. He himself had got into some trouble for saying that the £10 insured was for the provision of funerals and nothing else. It was ridiculous to talk about thrift, for out of the £10, after providing for funeral expenses, there was not much provision for anything else.

He should like to make a remark on what had been said about the enormous profits yielded by industrial assurance, and the dividing of them among the assured. It would be found that the rate of profit was very small instead of very large, and in one particular