

a net profit of \$970,000 in excess of annual dividends, profits absolutely gained by the shareholders, since the sinking fund is sufficient to cover all risks in force.

And since the tariffs of Canadian companies are more advantageous than those of foreign countries, one can imagine the profits realized by these latter. What proves still more the uselessness of raising the tariff of premiums is the distribution made at certain times to the policyholders, under one form or another, in money or in reduction from the premium, of profits realized upon the premiums, and finally the monetary combinations offered during these latter years by some companies, combinations which seem marvellous to those who are not initiated in the mysteries of insurance calculation, and which are justly possible only by the exaggerated rates of the annual premiums. Finally, the expenses of management, and of collection and commissions, amount up to 25 per cent. of the premiums received.

The inflation of the tariffs of premiums is with difficulty borne even by the fortunate assured, since every year we find that a certain number of them have abandoned their payments. These payments, which persons of the better classes meet with difficulty, are, as we understand it, impossible to the working classes.

The State, though not able to interfere in a manner direct and absolute in the solution of this question, can, however, play an important part in it, which we shall indicate when we take up the question of mutual benefit societies.

There is a form of life assurance which the State can control and direct without any risk, and it is that assuring an annuity to the workman and his widow in their old age.

The providing of life annuities by the State for old age is not a new idea. The Government, in this instance, will have no project to study and to formulate. The institution has been in operation in France for thirty-eight years.

During the first years, workmen not having understood the advantages of this retiring allowance profited little by it. But, thanks to the devotion and to the energy of some philanthropists, this annuity system has received numerous adherents during the last twenty-five years, and the number of accounts opened up to the 1st January, 1888, was 10,308,079, having deposited \$118,477,303.†

The annuities paid have been \$48,242,108, and the deposits reimbursed at the death of depositors \$13,803,276.

The idea of the Legislator was to offer to the hard working laborer of the towns and country districts a means of insuring himself, by a light payment from his daily salary, a pension for his old age.

The Government receives and centralizes, with this aim, the smallest savings, and makes them fructify by the accumulation of interest, and the chances of mortality.

No retention or deduction is made for the expenses of management. This institution offers, then, to every man who lives by his wages, the possibility of preparing, under conditions of absolute security and with the greatest possible advantage, rest and independence in his old age. He will thus be certain not to be a burden to his own children, and he will be able, even, if he desires it, by reserving capital for their profit, to join to a legitimate forethought towards himself the satisfaction of leaving them a little sum at his decease.

Besides, if before the time fixed for his enjoyment of it, the depositor finds himself absolutely incapacitated for work, by reason of grave wounds or premature infirmities, regularly proven, he is put in immediate possession, even before fifty years, of a pension proportionate to his age and his payments.

These are the benefits which this institution procures.

Its operation is of the simplest kind. The depositor, after having complied with the necessary formalities, receives a pass-book, in which are entered the sums contributed, as well as a statement showing the amount of the annuity secured at fifty years by each payment.

† From 1850 to 1870, the deposits were on a yearly average \$1,400,000; in 1879, there were \$7,800,000; in 1880, \$11,800,000; and in 1881, \$13,600,000.