

One of the most singular features of the pensions controversy is the tremendous advertisement it has given to that unsaleable article, the deferred annuity. For nobody of his own free will ever dreams of looking at such a speculation, and the supply is every bit as limited as the demand. The deferred annuity, to speak accurately, is not even a remainder lot, for nobody worth speaking of keeps it in stock. Our plodding Post Office in the course of ten years has managed to sell 360 of the "non-returnable" variety over the counter. The insurance companies are not asked to provide them, and do not offer to. They could not make the business pay without charging a prohibitive sum, and the life business is both popular and profitable, whilst deferred annuities are neither. Here and there a country provident society, nursed by the squire and pampered by the country gentry and clergy, has induced a few hundred labourers to buy these annuities—but the squire does not set the example, nor do the clergy. The Clergy Mutual Insurance Society, which Canon Blackley describes as the largest society of its kind in existence, once had an annuity branch, but it exists no longer. The Foresters and the Manchester Unity of Oddfellows, who number more than a million and a half of members, had three members and 500 members respectively on their books as prospective annuitants in 1893. Yet this form of providence, which nobody who can afford the luxury will have at any price, and which, as I have tried to show, is beyond the reach of the ordinary poor man, has been made the basis of scores of solemn legislative proposals. Politicians have sat down before it, and examined it with their finger tips, and suggested means for decking it out into something more like a decoy duck and less like the scarecrow it is, thereby confusing public opinion not a little, and setting back the whole movement for the betterment of old age.

PROS AND CONS.

Why is the deferred annuity unpopular, and is its unpopularity founded on prejudice or sound judgment? These are questions which it is as well to clear up before looking more closely at the legislative schemes; and in view of the cloud of witnesses, some of whom I quote at the head of this column, the task is not a particularly difficult one. We will suppose that John Smith, on reaching the age of twenty-five, becomes apprehensive as to his position in life at sixty-five. Such misgivings are not common at that age, but Mr. Smith is no common man. He is advised to secure for himself an annuity of 5s. a week, to mature by the time he is sixty-five. Being a mechanic of moderate means, on weekly wages, there is no question about paying for it in a lump sum, or in large instalments, and every year he delays the expense will be increased. If the thing is to be done at all, he must begin at once to put by something regularly, and at short intervals. He considers within himself whether the advice given him is wise, and it chills him a little at the start to find that nobody is

following it, not even his preceptors. The insurance companies regard him as an eccentric person when he goes to ask their terms, and he is staggered at the rates demanded by the Post Office, and still more by the astonishment and confusion caused by his application. He turns to his friendly society, and finds that he can effect an insurance for 19s. 2d. a year—I use the tables of Mr. Ralph Price Hardy, the Actuary—payable in fortnightly or monthly instalments. Then it occurs to him that, supposing he dies before sixty-five, which is by no means unlikely, seeing that only half the men of his age live on for another forty years, his payments will be forfeited and his wife and children will get nothing. If he insured his life he could leave them a tidy sum. It is a dreary and dubious speculation at best, and perhaps a trifle selfish into the bargain, and he decides that in this form, at any rate, it will not stand examination.

THE RETURNABLE VARIETY.

What about the returnable variety of annuities which he has heard mentioned? And here let me interpose one word of caution. It is not well even to mention that word "returnable" to a friendly society officer who understands his business, and for a very good reason. "If you once get it into members' heads, said one of the greatest authorities on the subject to me, 'that they can have their contributions returned whenever they want them there will be an end of all order. They will be wanting to know the surrender value of their sick and funeral benefits, and we shall be beset with demands for the return of their money. It will simply not do.'" However, for the sake of argument, we will suppose that Mr. Smith is informed that if he insists upon coming in on those terms, his family can have the principal returned to them at his death for an annual payment—I quote Mr. Hardy again—of £1 5s. 6d. In other words, the new contract involves an addition of 33 per cent. to his premium and the forfeiture of all interest—not a very tempting offer. After all, he asks himself, is it worth while trying the insurance plan at all? The risks of lapsing, and so losing everything are considerable; there is no certainty that his lodge will be in a position to pay the annuity in forty years' time, and if he dies his family will probably be not so well off as if he had insured his life.

To be continued.

A HANDSOME NEW BUILDING.

The new building of the London and Lancashire Life Assurance Company is fast approaching completion, and will be ready for occupancy by its several tenants on May 1st.

The ground floor of this handsome addition to St. James Street will be tenanted by the Bank of Nova Scotia. Above the bank will be the offices of the London and Lancashire; and many of the remaining offices have been already leased to legal firms and business men.