

## GOVERNMENT ANNUITIES.

During the early years of the 20th century, there took place throughout the civilized world a distinct movement in favour of ameliorating the living conditions of the less well off members of society. One form which this movement took in the United Kingdom was that of old age pensions granted by the State as a free gift to its poorer citizens, whose earnings were very generally insufficient to permit of a margin of saving. In Canada, where wages were higher and a margin of saving consequently existed, the movement took the form of providing through the establishment of Government annuities, an absolutely safe investment for such savings, which had only too often been lost through the inexperience of their owners, leaving the latter a burden upon the charity of relatives or of the public.

Under the Government Annuities Act, 1908 (7-8 Edw. VII, c. 5), as amended by the Act of 1920, His Majesty the King, represented by the Minister (at present the Postmaster General), may sell to persons domiciled or resident in Canada over the age of five years immediate or deferred annuities of not less than \$50 nor more than \$5,000 (1) for the life of the annuitant; (2) for a term of years certain, not exceeding twenty years, or for the life of the annuitant, whichever period shall be the longer; and (3) an immediate or deferred annuity to any two persons domiciled in Canada during their joint lives, and with or without continuation to the survivor. The property and interest of any annuitant in any contract for an annuity is neither transferable nor attachable. The purchaser may contract that, in the event of the death of the annuitant before the date fixed for the annuity to begin, all money paid shall be refunded to the purchaser or his legal representatives with interest at the rate of 4 p.c., compounded yearly.

Statistics of the annuities in force on March 31, 1921, are given in Tables 70-71. From September 1, 1908, to March 31, 1921, 5,031 annuities have been issued, of which 356 have been cancelled on account of death, leaving on March 31, 1921, 1,068 immediate annuities and 3,605 deferred annuities, a total of 4,675 contracts in force. The total value of these annuities on that date was \$1,134,779.80, and the amount received for annuities purchased was \$4,912,145.67.

## 70.—Government Annuities Fund Statement, March 31, 1921.

ASSETS.		
Fund on March 31, 1920.....		\$ 3,897,711 41
Receipts, 1920-21, less payments.....	468,921 91	
Fund on March 31, 1921.....		\$ 4,366,633 32
LIABILITIES.		
Net present value of all outstanding contracts.....		\$ 4,366,633 32
RECEIPTS.		
For Immediate Annuities.....	\$ 326,071 61	
For Deferred Annuities.....	207,060 64	
Amount transferred by Government to maintain reserve.....	221,244 65	
<b>Total Receipts.....</b>		<b>\$ 754,376 90</b>
PAYMENTS.		
Annuities paid under Immediate Contracts.....	\$ 279,062 06	
Return of premiums under Plan "A" Contracts.....	5,061 13	
Return of purchase money.....	1,208 24	
Return of interest.....	123 56	
Balance March 31, 1921.....	468,921 91	
<b>Total.....</b>		<b>754,376 90</b>