

Although there have been some abrupt changes in direction from one year to another, it appears that a definite movement in one direction is usually maintained for several years. This suggests that the basic factors underlying the movements of funds may be subject to changes that require some time to develop.

Table 27 shows that in 1938 operations between Canada and the United States accounted for more than half the total movement of funds, and for more than the total net outward movement because of the influence of United States on foreign life companies.

27.—Movements of Funds Between Canada and Other Countries, by Class of Company, 1938

(In millions of dollars)

Between Canada and—	All Companies	Canadian Life	Canadian Fire and Other	British Life	British Fire and Other	United States and Foreign Life	United States and Foreign Fire and Other
United Kingdom—							
Inward from.....	3.6	3.0	0.1	0.3	0.2	¹	¹
Outward to.....	18.4	14.5	0.4	1.6	1.8	0.1	¹
United States—							
Inward from.....	10.6	6.9	0.6	1.2	¹	0.1	1.8
Outward to.....	19.5	5.1	0.3	0.2	¹	11.1	2.7
Other Countries—							
Inward from.....	2.9	2.5	0.2	0.1	¹	-	0.1
Outward to.....	1.6	1.2	0.1	0.1	0.1	-	0.1
All Countries—							
Inward from.....	17.1	12.4	0.8	1.6	0.3	0.1	1.9
Outward to.....	39.5	20.8	0.8	1.9	1.9	11.2	2.9
Net Inward.....	-	-	¹	-	-	-	-
Net Outward.....	22.4	8.4	-	0.3	1.6	11.1	1.0

¹ Less than 0.1.

Section 5.—Government Annuities

For more than thirty years the Dominion Government has carried on a service that permits and encourages Canadians, during the earning period of their lives, to make provision for their old age. The necessary legislation was passed in 1908 as the Government Annuities Act (c. 7, R.S.C., 1927, amended by c. 33, 1931). This Act is now administered by the Minister of Labour, and provides that any person resident or domiciled in Canada may purchase an annuity from the Government of Canada.

A Canadian Government annuity is a fixed yearly income purchased from and paid by the Government of Canada. The annuity is payable in quarterly instalments (unless otherwise expressly provided) for life, and may be guaranteed for ten, fifteen, or twenty years in any event. The minimum amount of annuity obtainable on the life of one person or on the lives of two persons jointly is \$10 a year and the maximum amount of annuity payable to any annuitant or to joint annuitants is \$1,200 a year.

Annuity contracts are of two classes, deferred and immediate, under each of which there are various plans available. Deferred annuity contracts are for purchase by younger persons desiring to provide for their old age, purchase being made by monthly, quarterly, or yearly premiums, or by single premium. Immediate annuity contracts are for purchase by older persons who wish to obtain immediate regular incomes through their accumulated savings.