

ANNUITIES FOR CHILDREN

A number of suggestions have been made by the press and by the public during the past few months in favor of a part of the expense of raising children being paid by the State. The project has been, unfortunately, termed "Mothers' Pensions," which conveys a wrong idea of the purpose of the scheme. So far there has been no discussion of it in the Canadian House, but partial measures in this direction have been adopted by other governments.

Five years ago, the Commonwealth government of Australia adopted what is known as the "maternity allowance," a payment of £5 to the mother of every child born. This is merely a cash bonus, and does not pretend to pay any of the expense of raising the child. The amount paid out in 1913, the first year of its operation, was £417,375, and in 1916, £650,715. The claim must be entered in the name of the mother in each case.

A somewhat different project was adopted in 1916 by Manitoba, where it is known as "mothers' allowances." The circumstances of each case are investigated, and payment made in accordance with the individual need. This is, of course, a more restricted form, and is more in the nature of a charitable allowance. So far, about \$11,000 has been paid out by Manitoba for this purpose. Similar measures have also been contemplated in Saskatchewan and Alberta.

Other schemes of the kind have been tried by some of the states and municipalities in the United States, with varying degrees of success. One point at least is clear, and that is that no uniform plan of action has been evolved, and actual experience so far is too limited to admit of any comprehensive conclusions being reached in this way. One thing is apparent, however, and that is that the project can never be a complete success so long as it is of the nature of charity. Payments should be automatic, and inclusive of all classes. Again, an allowance merely to widows with children, is not sufficient, as many families with both parents alive are in more difficult circumstances. The payments are not for service rendered, as has been maintained in some quarters, but of the nature of trust funds for the proper care of children, which can be more satisfactorily administered by the parent than by the State directly.

There are various arguments in favor of an allowance of this kind. It would relieve the economic pressure on large families, and should result in the raising of healthier children. It would shift a part of the burden to the shoulders of the taxpayers, the rich, the single, and the childless. Moreover, the payments could be conditional upon the proper care of the child, and state control facilitated in this way.

On the other hand, as it savors of socialism, it meets with strenuous objection in many quarters. If, however, the State undertakes to educate the young, the same arguments might be used to favor providing the more essential physical requirements.

Again, the financial burden involved in a complete measure of this kind would be enormous. A payment of \$50 per year for every child in Canada, under the age of 16 years, would amount to about \$100,000,000 per year, or much more than the interest on the present national debt. For this reason the present is an inopportune time to adopt such a measure, even were it found to be desirable. Our revenue-raising ability is already being put to the test, and will be increasingly so for several years to come. If after the war we find ourselves with a surplus revenue, the question might be taken up, but in any case at least a part of the revenue required should be in sight.

FIRE INSURANCE IN 1917

An interesting feature of the Dominion report on fire insurance business in Canada in 1917, as shown on pages 42 and 44 of *The Monetary Times* of May 17th, is the very large proportions of "gross cash received for premiums in 1917" paid out in reinsurances and return premiums, the "gross cash received" being \$9,206,601 of which \$4,310,758 was paid out for return premiums and reinsurances or nearly 47 per cent.

The gross cash received by British and colonial companies was \$20,091,342, of which \$3,800,321 was paid out for reinsurances and return premiums, or about 19 per cent.

The gross cash received by companies of United States and other countries was \$13,514,629, of which \$3,431,815 was paid out for reinsurances and premiums, or about 25¼ per cent.

The net premiums received by all the companies reporting to the Dominion Bureau for 1917 was \$31,269,677, the gross cash received being \$42,812,572, of which \$11,542,894 was paid out for reinsurances and return premiums, or a little over 27 per cent.

The gross cash received for premiums in 1917 by Canadian companies was \$9,206,601 as against \$8,378,043 in 1916, but the net cash received in the two years was about equal; their losses incurred during the year 1917 were \$2,499,145, being very nearly 50 per cent., a slight decrease from 1916.

It must be borne in mind that some of the Canadian companies are really adjuncts to British or American companies. The gross cash received for premiums in 1917 by British and colonial companies was \$20,091,342, an increase of nearly three million dollars over 1916, whilst their losses in 1917 were but \$285,544 over those of 1916, being about 54½ per cent.

The gross cash received for premiums in 1917 by the companies of the United States and other countries amounted to \$13,514,629, being nearly two and a half millions over 1916, whilst their losses incurred during 1917 were a little over one million dollars more than in 1916, about 60 per cent. of their net premiums, but their ratio of losses to net premiums in 1917 was very slightly lower than in 1916.

The ratio of losses to net premiums received by all the companies in 1917 was a little less than 56 per cent. whilst in 1916 it was about 59 per cent.; some of the United States companies appear to have been particularly unfortunate. It is possible that some of their representatives were not well informed as to local conditions.

The apparently excessive caution of the purely Canadian companies in 1917, if continued in 1918, may have already been justified by the too frequent occurrence of fires entailing heavy amounts of losses.

On the whole, the report shows careful attention on the part of the managers of all the companies, with results remarkably steady, whilst the aggressions of the outside companies have not generally involved them in disaster during the past two years.

TRADE OF THE PORT OF ST. JOHN

In our issue of May 24th, in the article "Progress of St. John," we referred to the export figures for the year ended March 31st, 1918, as being over \$20,000,000. The correct figure is over \$200,000,000, and the total trade for the year was \$217,570,847.