

**Compulsory Life Assurance.** The singular notion is held by some persons that a life assurance company is under legal compulsion to issue a life policy to every applicant who passes the medical examination. Even so eminent a news paper as the New York "Herald" is under this delusion. In its issue of 27th May the "Herald" said:

"Insurance men generally take the stand that Christian Scientists should be placed in the category of 'bad risks,' but, as the law stands, no discrimination can be made against persons who pass the physical examination because of their belief in the doctrines advanced by Mrs. Eddy, and until a way is found by which members of this sect, numbering nearly two hundred thousand, can be legally debarred, the life insurance companies are helpless."

The companies are not helpless at all, they can refuse or accept risks offered absolutely at their discretion without being answerable to any one or any authority. The companies have a certain article, to wit a life policy, to exchange for what they regard as a certain equivalent, that is, an annual premium of a fixed amount. No legal power exists to compel a life company to dispose of a policy unless the application for it is fully approved, and if disapproved the company cannot be compelled to assign a reason for its action. We should, however, consider it most reasonable ground for rejecting an application were it known that the applicant, in case of sickness, would refuse medical aid.

**The Commonwealths' Finances and Loans.**

The consolidation of the various independent colonies of Australia into one body, "The Commonwealth," is giving rise to discussions relating to the general financial affairs and the loans in particular of the absorbed colonies. Much the same problem was presented when Confederation was being organized, and its solution was long delayed, indeed there are those who regard it as still unsettled. It is not universally known in Canada that of the present debt of the Dominion the sum of \$77,500,000 of provincial debts was assumed by the Dominion at Confederation and that since then there has been an additional amount assumed of \$32,930,148, making \$109,430,148 which constitutes over 41 per cent. of the whole net debt of Canada. The general manager of the Bank of New South Wales suggests that a Board of Currency Commissioners be created, which the "Sydney Review" thinks should act as controllers of the Commonwealth's finances. If Australian politicians are willing to give a non-political body any control over the public finances they differ widely from any known

in this country. It is suggested by the "Review" that all the Australian provincial loans be consolidated and made State loans, and direct borrowing by States, or, as we say provinces be disallowed, so that there would be only one class of Australian security, the Commonwealth Consol, all State debts being due to the Commonwealth. Were this done, the States of the Commonwealth would have narrower powers than our provinces, who can issue bonds and float loans in the market. Restricting the borrowing power of local governments to such amounts as would be approved by the Federal Government would be a step in the right direction, but we doubt its feasibility, as the Australians are so strongly imbued with the British love of local self-government that the integrity of the Commonwealth would be endangered by drawing the reins held by the central authority too tight. We advise our fellow colonists to stand firmly on that principle as the surest guarantee of internal peace and the most solid basis of national liberty. The Institute of Bankers, New South Wales, held its annual meeting on March 20th when 630 members were reported to be on the roll. The examinations in 1900 brought 222 candidates of whom 126 passed who, with few exceptions, have received appointments. The educational work of this institute appears to be highly valuable.

**Jacksonville Losses.**

The Insurance Press states the gross losses of the fire insurance companies by the Jacksonville conflagration as \$3,943,000. The entire premium income received from the whole State of Florida has averaged for some years about \$800,000. If we estimate the average loss ratio at the very moderate amount of 55 per cent., and the expenses at 30 per cent., we get an average excess of premiums over losses of \$120,000 yearly to provide for the contingencies incident to the business. Suppose the whole of this surplus income from the Florida business to be laid aside, "potted" away, it would take 33 $\frac{3}{4}$  years to accumulate enough to pay the claims in that State which arose from one fire, in one day, in one city. The entire income from fire insurance premiums in Florida for the next fire years will be required to pay the losses in Jacksonville alone caused by a single fire in that city, leaving them for five years without a cent to pay expenses, and other claims. The Floridians who were incensed at outside underwriters for taking so much money out of the State are not protesting against the Jacksonville claims being paid out of receipts from business in distant localities!