

power, "is wrong very often." The student of mathematics who is gifted with strong perceptive powers proceeds from one step to another in difficult problems like one whose way is lighted, while others, whose perceptive powers are weak, cannot proceed because the path is so dark. It is well for these diversities of gifts and powers to exist. If all persons, for example, had the special mental powers of Mr. Hardy, actuarial fees would not be worth picking up.

**Government
Loans on
Real Estate.**

Evidence was published in our last issue showing that Canada was becoming financially self sufficient, that the needs of Canadian borrowers were being supplied by the Canadian capital of private lenders. This gratifying phase of the national life of the Dominion is in striking contrast to conditions existing in Australian and New Zealand, a contrast that is ground for just pride to the people of Canada. The contrast has two aspects, for not only are our loan societies becoming more and more dependent on native funds, but our banks are almost entirely supplied from native sources, whereas Australia and New Zealand are very largely dependent for banking resources on the old country, and the funds for real estate loans are there supplied by the Government. In 1868 and for a few after years there was a strong agitation to put Canada in the same position by establishing a "Government Farmers' Loan Bureau," and a "Government Bank" on a popular basis, the necessary finances to be provided by an unlimited and unprotected issue of paper currency. The scheme did not find public support as the people of Canada fought shy of being dependent on government officials for loans, and they had been too well informed by the financial press to fall in love with "rag baby" money. In Australia the governments of four colonies opened loan offices to advance money to farmers, as is done by our loan corporations, especially in Ontario. The Agent General of New South Wales recently read a paper on this matter before the British Association, in which he pointed out that the government loaning system had reduced the rate of interest. But the rate in Canada has fallen also quite as much as the natural consequence of money becoming more plentiful, so there is no ground for the plea that government loans monopolized the credit of cheaper loans. In New Zealand farm loans may be paid off by 73 half yearly instalments by a sinking fund system. This is no novelty, as it is the plan adopted long years ago in Canada. It is a brilliant feather in the cap of this Dominion that the people organized and have successfully maintained a splendid system of loaning on farm and other real estate, the funds for which

they supplied from their own savings, or raised on the credit of their own institutions, without the least assistance of any government. Financially, the spirit of Canada is expressed in Smollett's lines:

"Thy spirit, Independence, let me share;
Lord of the lion heart and eagle eye."

**Abolition
Medical
Examinations.**

How new questions arise is often a mystery. A number of American journals, several of the front rank, have been promulgating the theory that life assurance companies might safely, even with advantage some think, dispense with a medical examination of applicants. It is probable this notion owes its origin to the eccentricities of those who have made a new religion out of the old idea that nothing cognisable to the senses really exists outside the imagination, or some other faculty of the kind. Bishop Berkeley's subtle and ingenious mind constructed an argument against the existence of matter, of which Byron said:

"When Bishop Berkeley says, there is no matter—
It is no matter what Bishop Berkeley says!"

The disbelievers in the existence of disease may desire medical examinations to be abolished, just as malefactors wish to have Courts of law closed, as their investigations are offensive. Life companies, however, will not be infected with this craze. An applicant for a life policy presents himself as desirous of the company entering into a contract with him to pay over a certain amount at his death, in consideration of receiving an annual payment of a certain sum called premium. The company has fixed the amount to be paid for a person of his age in the belief that his life is likely to extend to a certain number of years, to the average term. If the applicant is affected with some disease, or suffers from a constitutional defect that reduces his chance of living below such average, then the contract is a dangerous one for the company. Under such conditions it has engaged to pay more than the physical condition of the policyholder warrants. Every day such conditions are revealed by medical examination in the physical state of applicants as render it impossible for a life company to accept such persons, as they do not come up to the standard which is the basis of the terms of their ordinary contracts. Were companies to dispense with medical examinations, they would be flooded with business of the most unprofitable, most risky character.

To compensate for the extra losses such a loose system would involve, the companies might advance all their rates high enough to equalize matters. This, however, would be a gross wrong to the ordinary policyholders, to those of the average physical conditions on which rates are now based. We fear the promoters of the anti-medical examinations' movement will find no sympathisers amongst the established life assurance companies.