

are glad to see that a movement has been inaugurated looking to the repeal of this abominable commercial corporation tax by the present legislature, and we trust that the movement will receive the attention it deserves. The present Government professedly represents equity and honesty; and when fully advised of the nature and workings of the obnoxious law can hardly hesitate, it would seem, to repeal or modify it. The boards of trade and other commercial and financial organizations should make common cause with the insurance interests, and insist on relief from this unjust and burdensome exaction. The law has already driven from the Province several insurance companies, and kept out manufacturing and commercial enterprises which we can ill afford to lose. Killing the goose that lays the golden egg is not statesmanship.

SHARING THE CLASSIFICATION OF RISKS.

Every fire underwriter knows perfectly well that if the actual experience of all the leading companies for a series of years, with reference to certain classes of risks, were collected and tabulated, it would be comparatively easy to fix for each clearly defined class the proper premium rate. No combined experience belonging to the work of several companies has, however, ever been accessible. The average student of insurance history encounters this fact, and is puzzled to account for it. In life insurance the various companies have from the first maintained the most cordial reciprocal relations with each other, and freely exchanged the carefully wrought out results of their experience, by means of which combined experience the business has been perfected as one of acknowledged mathematical and scientific accuracy. Why should not fire insurance, which now is largely the "science of guessing," seek to perfect its knowledge of the business by acquaintance with actual results, not of one company or of one year or of a particular field, but of all companies for many years in the entire field? That the same accuracy can be obtained as to risks and corresponding rates in fire as in life insurance is not, for obvious reasons, possible; but that a knowledge of the classified experience of fifty or a hundred companies for twenty-five years, or even ten years, would furnish every competent fire manager with the means of fixing substantially a safe rate on a given class of risks is too obvious to require argument. And, yet, the companies jealously guard their individual experiences, not only from the world, which may be wise, but from each other, and go on guessing as best they can. Just how a particular company could be harmed by being one of fifty contributing to a common fund of knowledge their classified experiences, since each receives a good deal more than it gives, does not appear. An exchange of experiences, properly guarded for the common good, would only be in the nature of a trade in which each gets forty-nine experience shares for his one share. That some of the leading underwriters are of late viewing this subject in its true light is apparent, and is a hopeful sign. As evidence of this, we notice that Mr. Livingston Mims, the veteran

Southern underwriter, and president of the South-Eastern Tariff Association, in his opening address at the recent annual meeting of the Association at Washington, squarely advocated a sharing of experiences as follows:—

Right here the question arises: "What are the unprofitable classes?" In the absence of such data as would have enabled us to determine this question with exactness, let me say I am sure that discussion and thorough interchange of views of the members of this association, as well from their observation and experience as a knowledge of their official records, will enable them to arrive at safe conclusions in the matter. In this connection I venture to urge on you the establishment of a bureau of classification within this association. If all companies would make their returns to it, showing classification of their business as to premiums and losses, and on blanks as might be provided with agreed classes, we would have a combined result of great value to all. Far more so than the single classification of any single company. There is scarcely any company that would not contribute its separate experience for the joint one now proposed. True it is, some companies hold sacredly private their classifications; others hold them of little value. Some declare them misleading; so it may be in single instances, but all will acknowledge that combined experience would be of incalculable value. With such aid we could then intelligently advance or reduce rates on different classes of risks, as our combined experience would justify. Any changes that might occur in profit or disprofit of the different classes of property from year to year could thus be readily seen, and changes made from time to time in accordance therewith. I urge the practicability and great usefulness of such a bureau. The returns of each company could be held private, and only the general result announced.

Such a proposition from so influential a source shows at least that the utilization of combined experiences is being seriously thought of and distinctly favored by men of ability and influence. We are not surprised, however, that the Association failed to take definite action on the recommendation of its president. Important reforms move slowly, and the wheels of progress in fire insurance, as in everything else, are clogged by prejudice and tradition, less of which, however, we believe is found among fire underwriters than elsewhere, and we look for the carrying out in substance, at no distant day, of the recommendations of Mr. Mims.

A FATAL FLAW IN THE ASSESSMENT SYSTEM.

One of the fundamental defects of the assessment system of life assurance, as we have frequently demonstrated, lies in the inevitably increasing mortality belonging to the increasing age of the membership, an increase which the constant accession of new members cannot counteract save to a limited extent. While a liberal accession of new lives can be kept up, the mortality increase may be borne and the assessments kept within endurable bounds; but failing in this, the growing mortality of a standstill membership, if standing still were possible, soon calls for assessment burdens, which are thrown off by the retirement of the most healthy lives, thus abnormally increasing the death rate by selection against the association.

Against this selection the assessment system is necessarily powerless. The level premium company, with an accumulated reserve standing to the credit of each