

	1900.	1905.
Manufactures		\$ 1,828,561
Silk and silk goods	\$ . . . . .	1,170,706
Silversmithing	781,456	6,748,110
Slaughtering and meat packing	5,395,162	87,482,829
Smelting	10,483,112	2,655,508
Soap	2,321,207	1,350,300
Starch	990,075	1,472,126
Stone, cut	41,505	13,412,517
Sugar, refined	10,104,585	5,924,180
Tobacco, chewing, smoking and snuff	4,747,030	1,419,451
Tobacco, cigars and cigarettes	2,500,510	3,981,192
Wall paper	1,059,500	11,164,768
Wire	1,599,118	6,938,683
Wood pulp, chemical and mechanical	11,558,560	
Woollen goods	10,486,198	

**ANALYTIC RATING.**

**Continuation of Open Letter Issued by Advocates of Dean Schedule.**

The Universal Schedule abolishes the classification of municipal protection and ignores state lines. It establishes a special key rate for each town or city, regardless of its size. Charge 30 increases the key rate 20 per cent. for each dollar of loss in excess of \$5.00 per thousand in a town's previous five years' experience, limiting the percentage to be added for any one conflagration to 20 per cent. Now, it is a notorious fact that the fire records of towns and cities do not appear in any available statistics, and the information necessary to make this charge is practically not obtainable. To illustrate: Let us assume two such states, with climate, products, industries, etc., not essentially different, but with a generally recognized difference in state experience justifying the existing difference in rates. There is apparently no provision in the Universal Schedule for a distribution of this difference over the general business of the two states, or for that matter of other states. The difference may have been the result of a few stiff conflagrations, distributed in time so as to affect each of the annual averages. According to the Universal Schedule, all this difference must be assessed only upon the towns that have actually contributed through conflagrations to the loss record. The same method would have to be pursued if the five years' experience of the state had been the result of one exceptional conflagration, excepting that we could assess this one town 20 per cent. The schedule leaves us in the dark as to how or where we are to make good the deficit and how we are to meet the competition in this city from companies who may not think that because a city has had one conflagration the law of average would justify them in looking to this town, and this town only, to make good.

**Two Schedules Compared.**

Turn now to the common sense and practical treatment of this phase of fire-hazard measurement in the Analytic System. In doing this it is proper to remember that municipal protection is a thing separate and distinct from the hazard found in individual risks. It spreads its mantle of protection impartially over all the insurable property it protects. It is true, we know, that no two towns can be exactly alike, but we also know, for that matter, that no two buildings, flues, systems of floorway, openings or occupancies, can be exactly alike; however it is a fundamental necessity in all reasoning that we establish identities, the only point of care being that the identities be sufficiently close for practical purposes, and this is reached through the universal process of classification which is so universally abolished by the Univer-

sal Schedule. The fallacy of this substitution of interminable analysis for classification is shown by the fact that before the Analytic System made its appearance, the Western Union had re-established classification of municipal protection, and that about the same time, at the request of the National Board, the National Fire Protection Association had prepared a similar classification for consideration. The Analytic System uses the Union classification, adopted in lieu of the key rate plan, which after long and discouraging trial had been abandoned as impracticable. It may not be perfect, but it is safe to predict that this classification of municipal protection will not again be abandoned for the key rate plan. Reverting to our statement that we can never construct tariffs from our classified statistics, but must eventually build our classified statistics upon our estimates of relative hazard, the problem of introducing the system in any new state resolves itself into a careful examination, to determine what basis rate table will establish our estimates with a minimum disturbance of existing conditions, the end sought being simply to establish relativity, without riots, ructions or other civil commotions. This is a practical business question, approached by the Analytic System in a practical business way, and the several basis rate tables in the schedule are provided simply for the convenience of raters in determining which one to use to bring about the nearest approach to the desired result. It is proper, before dismissing the subject of these tables, to admit that we cannot permanently maintain rates in each and every state exclusively upon its individual experience—for example, in Maryland or California, with their great conflagrations, but the task of distributing rates among states belongs to the problem of sequential relations, which is discussed in all its bearings in "Fire Rating as a Science."

**ACCIDENT & LIABILITY INSURANCE.**

In recent issues of THE CHRONICLE, detailed reference has been made to the 1906 showings of fire and life companies in Canada. Following upon these tables, there are published this week two further exhibits—relating to accident and employers' liability business—compiled from the preliminary report for 1906 of the Superintendent of Insurance.

**ACCIDENT INSURANCE.**

That the Canadian public is more and more availing itself of the protection offered by casualty companies is unmistakably evidenced by the amount of such insurance effected during 1906—the total being over \$195,000,000, an increase of more than \$20,000,000 over the 1905 showing. Premiums for the year reached well over the million mark, being about \$1,170,000, or an increase of nearly \$175,000. Claims paid showed an increase of \$86,000; the sum of such payments for the year being \$448,000, and the total losses incurred \$487,000. The ratio of losses incurred to premiums received during 1906 was 41.7 p.c., as against 38.4 p.c. in 1905.

**EMPLOYERS' LIABILITY.**

The field for employers' liability insurance is necessarily less wide than that for casualty underwriting, but proportionately the increase in busi-