William Farr was a classic Victorian success story. Born of humble parents in Shropshire, he was apprenticed to a farmer who recognized his ability and sponsored his medical studies. From being a medical journalist, Farr blossomed into the leading authority on medical statistics, at a time when statistics was a cult subject, not an academic one, in this country.

Dr Eyler's book has only recently come to our notice. It gives a detailed picture of Farr's work as a social reformer, of his studies of disease and his work on sanitary reform with such notables as Florence Nightingale, Edwin Chadwick and John Simon. Readers of J.I.A. will be particularly interested in the influence of actuarial thought and methods on Farr. Thus the evidence of John Finlaison, actuary to the National Debt Office, of the inadequacy of the parish registers as sources of accurate vital statistics led to the passing of the Registration Act of 1836. Within three years, Farr had converted his informal consultancy into a lifetime career. He became 'compiler of statistics' to the Registrar-General, writing forthright 'Letters' which were published annually as reports within reports, supplemented by other writings, for Farr maintained his private statistical practice.

Farr had already come across the writings of Thomas Rowe Edmonds, actuary to the newly formed Legal and General Assurance Society. Edmonds had created a life table from the voluntary answers to the age question in the 1821 census, together with the registered ages at death in the parish records of 1813 to 1830, comparing the results with more limited groups of lives. He discovered that mortality rates increased in geometric progression over wide ranges of ages, and the precedence of Gompertz' discovery was only resolved after extensive debate in the columns of this Journal (volumes 9 and 10).

Farr prepared the first English Life Tables, with increasing sophistication in handling the data and in accompanying commutation columns at various rates of interest. Clearly he hoped that the Tables would be taken up by the insurance industry, but only the Government put them to use as the basis for insurance business transacted through post offices. He advocated insurance control through the use of a proper basis, an appropriate reserve for contingencies and published accounts with public audit. His 'biometer' he employed in other ways: fertility and morbidity tables, and even the expectation of life of political administrations were calculated, some with the aid of 'difference engines' derived from that of Babbage. Farr served on (or gave evidence to) countless commissions and committees. I have recently found the verbatim transcript of his evidence to the Select Committee on Civil Service Superannuation (1856) which demonstrates his methods: the issue of a questionnaire, consideration of the bias of the replies, publication of the evidence in summary and his conclusions.

William Farr was an eminently practical statistician; widely read, yet his mathematical training was limited so that his evolution of formulae was often tortuous and his explanations verbose to our ears. As a man of affairs he was naive; for instance, he was dazzled by Consols, and got into several financial difficulties. He was ably partnered by George Graham as Registrar-General, an able placeman who looked after the administrative side of the office while allowing his subordinate extensive freedom. Farr retired when he was not chosen to succeed Graham (after all, he was 72 and in indifferent health). It took nearly a century for a career statistician to be appointed Registrar-General.

Dr Eyler brings out Farr's humanity, his breadth of approach and wide reading. He was open to conviction by argument; his conversion to the germ theory of disease cost him the support (but not the friendship) of Florence Nightingale. Farr developed the rudimentary methodologies of demography and vital statistics, and his interests coincided with those of the great social reformers of his time. This is a book of wide scholarship and will interest all those who are now rediscovering the Great Victorians.

D. F. RENN
This book, written by a Canadian actuary, deals with the principles underlying the assessment of lump sum compensation for loss of future income or support. It would appear that actuarial evidence is readily accepted in Ontario and most other parts of Canada for cases involving loss of earnings owing to injury, fatal accident or wrongful dismissal. It is even accepted in the determination of equitable apportionments of family assets on divorce. Brief mention is also made of the more traditional actuarial role on the breaking up of a trust.

The Canadian judiciary seem to go far beyond U.K. practice in accepting that the actuary’s assessment can take into account the individual circumstances of the plaintiff. A long description of the many factors which should be taken into consideration (e.g. career path, possible future unemployment) is given and a few examples are included of recent cases to show how these have been accepted in practice. Such an approach in the U.K. would probably be dismissed as pure speculation.

The book is primarily aimed at the Canadian legal profession but I would suggest that it could be read to advantage by their U.K. counterparts. The Foreword itself makes instructive reading, being written by a Justice of the Supreme Court of Ontario.

Actuaries will find much of the earlier part of the book very basic, but apart from the sections dealing with the considerations to take into account mentioned above, the Chapters on the Actuary’s Report and Testimony are possibly valuable. One small point of criticism concerns the statement made that “The mortality rates of people who buy life insurance are usually higher than that of the general population” which is certainly not borne out by any statistics of which this reviewer is aware.

P. W. Wright

One Increasing Purpose. The Annals of an Investor. By LEWIS WHYTE

Many actuaries will know Lewis Whyte through his wide-ranging and important work in the fields of Investment, Insurance and Industry. His name is probably even more widely known in actuarial circles because his Principals of Finance and Investment formed part of the reading for the actuarial examinations for a period of more than 25 years.

One Increasing Purpose is Lewis Whyte’s autobiography written in the same clear, concise style as the textbooks. The autobiography, however, is of considerably greater interest because of the author’s involvement at the highest levels in a series of important roles in Industry. Furthermore, Lewis Whyte achieved influential positions in both public and private enterprises.

The author traces his career, first as an actuary with the Scottish Amicable Life Assurance Society in Glasgow, then as a stockbroker in London. This is followed by a series of Directorships. Following his appointment as a Director of Broadstone Investment Trust he became the Investment Manager of the Equity and Law and later a Director of the London and Manchester Assurance Company. Subsequently he was appointed Deputy Chairman of British Leyland, Director at the National Coal Board and the National Freight Corporation and Chairman of the Transport Holding Company.

Eventually, Lewis Whyte returned to the London and Manchester Group and remained Chairman of that company until his retirement in 1978. All this varied experience created ingredients for this entertaining and instructive autobiography.

Books written by senior business decision-makers, particularly in private industry have an extra value because of their rarity.

The insight into the background to important commercial decisions such as that leading to the merger of British Motor Holdings and Leyland in 1968 to form the British Leyland Motor Corporation is invaluable.

Similarly, the logic behind the decision made in 1974 by the London and Manchester Assurance Company to secure a majority holding in the Welfare Insurance Company will be of interest to many actuaries.

Lewis Whyte has always had a firm belief in the advantage of private over public enterprise and in a
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number of instances expands on (and gives reasons for) his strong convictions concerning many other facets of management (including the appointment of non-executive directors).

Nevertheless, his ideas are presented in a manner which inspires sympathy with his views, however controversial these may be.

I suspect that he owes much of this to the influence of Sir Geoffrey Ellis (former Chairman of the Equity and Law). Lewis Whyte confides that, if Sir Geoffrey disagreed with an investment proposal, he seldom entered into direct conflict but by skilful examination and cross-examination would try to lead the author to a different way of thinking and at times almost convinced Whyte that the ideas were his own!

Sometimes during a meeting Sir Geoffrey would agree with Lewis Whyte's ideas, but the latter would feel that he was under notice to re-examine his arguments.

These are the attributes of a skilful 'persuader' and are demonstrated in large degree by the style of this book. At least on a first reading one feels that it would be difficult to disagree strongly with any of the viewpoints expressed.

Additional interest is ensured by a multitude of anecdotes which in many instances illustrate the author's ideas on the way management should behave or react to changing circumstances. Furthermore, the anecdotes are not without humour and a business, if properly run, is seen to be a source of enjoyment. At the retirement of Sir Geoffrey Ellis, Lewis Whyte commented that working for Sir Geoffrey had been "fun". He then apologized for using such a flippant word. Sir Geoffrey immediately answered that it was certainly the right word, adding, "if you don't have fun in your work, you can never give your best".

The book will be of considerable interest to actuaries and is strongly recommended.

R. W. Scadden


This is the second edition of an annual series of analyses, the first of which was reviewed in J.I.A. 110, I. This second edition has been considerably expanded and new sections covering the share price performance of the quoted insurance companies and brokers, ownership of insurance companies, overseas earnings of the U.K. insurance industry and the history and current situation regarding foreign insurance companies operating in the U.K. market have been added. All the main statistics relate to the year 1982.

Apart from the new sections, the coverage of the main statistical tables has been widened to include more of the smaller companies. In the first edition the life sections were dealt with in a somewhat superficial light but this edition has attempted to provide more information. For example, an analysis of the composition of each insurer's life fund split by asset type is given—using information from, strangely perhaps, company accounts rather than DOT returns.

The authors have certainly succeeded in improving the value of the Review and I would recommend it to all those with an interest in the overall U.K. insurance market.

P. W. Wright