

TWEEDLEDUM AND TWEEDLEDEE IN LIFE INSURANCE.

The literary versatility of Mr. Miles M. Dawson was displayed in *The Toronto Globe* of Saturday last—to the extent of over three full columns. No extracts from his volume of poems were included. The occasion of Mr. Dawson's public reappearance at this time was an article published recently in *Office and Field* of Toronto, characterizing the "appointment of this American actuary, Mr. Miles Menander Dawson" as the "first great mistake made by the commission, the results of which have shown it was a fatal blunder." The article went on to say that "Mr. Dawson's pronounced sympathy with the Armstrong legislation was the final influence needed to turn our commission into the Armstrong rut and to ensure that our Canadian report would be, both in style and in recommendations, little more than an imitation of the New York report."

Perish the thought! The actuary-poet now tells us that "in order that the benign purposes of the Royal Commission might not be thwarted by just such tactics as those which *Office and Field* has now resorted to, it was necessary that its report should be as free as possible from any influence of mine, and I was careful that such should be the case." Then follows a detailed list of the things which Mr. Dawson did and did not do; and, accepting his own appraisal of services rendered, he apparently did rather less than has been generally supposed. This journalistic controversy is strongly reminiscent of the one waged some months ago against and by Mr. Dawson with regard to the Armstrong provisions. It would seem that in the earlier stages of both the New York and Canadian investigations the impression was somehow conveyed that Actuary Dawson was a directing influence. That Mr. Dawson himself greatly regrets any such misunderstanding is evident from his subsequent modest explanations that he really did but little. But it must not for a moment be thought that Mr. Dawson feels aggrieved that the Commissioners did not more fully avail themselves of his services. After stating that the report and recommendations of the Royal Commission and its counsel are wholly their own, "the work of able, conscientious, patriotic Canadians, whose talents and motives are both beyond question," he adds: "To have been associated with them in this great work, in any capacity, however humble, was a privilege and a pleasure."

In every respect he considers the report and recommendations a credit alike to the commissioners and counsel and to the Dominion, and would not have it inferred that he does not approve their findings.

Nor does he make an exception "even in the one matter as to which my counsel was sought, and concerning which they determined otherwise—the substitution of what is called 'modified preliminary term' valuation for 'select and ultimate.'" Surely the "privilege and pleasure" of "any capacity, however humble" could not conduce to a more generous equanimity than is here evidenced! To be sure, Mr. Dawson does seek to avoid complete self-effacement to the extent of adding that he considers the form of valuation adopted by the commissioners as virtually equivalent to his own cherished select and ultimate method, and adds: "I concur that they acted wisely, since the Canadian Life Managers' Association preferred 'tweedledee to 'tweedledum.'" But that the suggested new Canadian method is so nearly the same as the select and ultimate seems hardly the case. This will be clear to all who have studied the comparison between the two, as outlined in *THE CHRONICLE* of July 5, by Mr. C. C. Ferguson, who devised the Canadian method which was recommended by the Life Officers and adopted (*mirabile dictu!*) by the Commission. The latter method obviates the unfavourable feature of the select and ultimate plan, namely its permanent impairing of loading. As Mr. Ferguson there remarks:

"If the loading be calculated on the Ultimate net premium, it is true that this impairment will disappear, but, when the Select net premium is used, part of the loading on every premium after the first is hypothecated and the Select table is actually the basis of the Select and Ultimate method of valuation."

Mr. Ferguson while seeking to do full justice to the Select and Ultimate method, and in fact, removing some misapprehensions existing about it, has made clear, we think, the following advantages of the Canadian Method:

- (1) It makes the maximum allowance for the cost of new business consistent with the necessarily conservative attitude of the Government on this point.
- (2) It makes reductions in reserve values, which are satisfactory in amount and well graded from the first duration to the fifth.
- (3) Its application presents the minimum of difficulty. When the level net premium reserve is calculated, it is an easy matter to pass to the reserve according to the Canadian method, and it is important to know the amount of the difference between the two valuations.
- (4) It does not require the construction of a select table, but gives satisfactory results when applied to all tables, aggregate or select.
- (5) It does not suggest the puzzling gains from mortality.

All of which seems to dissipate part of the twin