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ADDRESS OF THE PRESIDENT, ERNEST J. MOORHEAD
EXCEPTION BADE THEM SPEAK

THE title of my address comes from Shakespeare's words in *All's Well That Ends Well*:

His honour,
Clock to itself, knew the true minute when
Exception bid him speak.

It is a meditation on outspoken actuaries. Its purpose is to turn our thoughts to controversialists and iconoclasts in this profession of ours, to the part they play in keeping us attuned to our responsibilities and alive to our opportunities.

Practically everybody in this room would instantly shout "Yea" to the proposition that difference of opinion is healthy, that expression of contrary viewpoint must be encouraged, even if for no better reason than to spice our meetings. That is, we espouse this in the abstract. There may, however, be three concrete situations in which we may not feel that way at all. One is when the arguer challenges an opinion that we ourselves cherish. Another is when the course advocated poses a seeming threat to our own security and comfort. Particularly anathema, regardless of subject, is the heretic who is of the genus whippersnapper—especially if he be a presumptuous infant whom we have nurtured in the bosom, that is, in the actuarial department, of our own company.

Those of whom I would speak have as a rule crossed swords with the Establishment of their eras. By "Establishment" I mean, quoting Richard Rovere, that group of men who decide what is and what is not respectable opinion. Oddly enough, it turns out that many dissenters were part of that same Establishment with which they contended. It is by no means automatically true that an angry man is an angry *young* man.

A few historical examples from outside our profession and our era may be cited as illustrations of what is meant and as standards to measure the quality and stamina of actuarial hereticism. It should be clear from these examples that we are not thinking of mere malcontents or cranks but constructive foes of docile togetherness.

Aristides "the Just," who differed with the prevailing view on how Athens could best be defended. He suffered ostracism, which in those days meant banishment, for his pains but later returned to enjoy luster and approbation.

Socrates, given hemlock because his teachings were judged to be a menace to the rulers of his day.

The Earl of Shaftesbury, the nineteenth-century social reformer who started his fight at age 27 and was still making himself heard at age 83. He led the struggle to outlaw mine work by women and children and to require that factory workers be treated as humans. His is a remarkable example of one whose vision was unclouded by his own upbringing in a society that placed laissez-faire on its highest pedestal.

Samuel Plimsoll, who agitated single-mindedly for forty years before successfully outlawing the practice of overloading merchant vessels or, as he graphically called them, "coffin ships."

General "Billy" Mitchell, whose outspokenness about mismanagement and bigotry in the United States armed forces led to his suspension, later revoked by Congress.

Rachel Carson, within this last decade, who learned what it was to confront vested interests in pesticides.

This selection of names may seem inappropriate to the point of being ludicrous, since these people spoke out against evils so glaring and outrageous that they cannot possibly have any parallel in this enlightened business of ours in today's meritorious generation.

The only possible flaw in that proposition is that the evils were not a bit glaring and outrageous to most of the people of those days. It is at least arguable that, if we today say that we have no sin, we too deceive ourselves and the truth is not in us.

HOW "EXCEPTION BADE THEM SPEAK" CAME TO BE WRITTEN

Early this year a similarity in two obituaries in the *Journal of the Institute of Actuaries* caught my eye and started a train of thought. These memorialized, respectively, Mr. F. A. A. Menzler and Mr. E. William Phillips, both evidently original thinkers unwilling to remain silent amid conditions that they regarded as unsatisfactory. Persistence in stating and restating their views indelibly marked their careers.

To find an honest man, Diogenes set forth with a lantern. To find an

actuarial maverick, Moorhead dispatched letters to a number of shrewd observers of the actuarial scene. I besought them to name actuaries on this continent who could appropriately be described as heretics, mavericks, or gadflies. I asked my friends not to concern themselves with the subsequent verdict of history on the validity of the views expressed. The search was for actuaries who felt different about major issues and were conspicuously outspoken about them.

Some of my correspondents replied that we just do not have that breed on this side of the water. One said, "I have concluded that the traits implied are singularly lacking among actuaries. If this is true, it is too bad and should give us pause for thought."

Fortunately for the success of my project, others felt different. Extremely interesting letters began to flow in, nominating colorful characters and citing occasions when Society and American Institute meetings had been enlivened by controversy on some question of the day.

At this point several commentators pointed out with sorrow that no good record now remains of what was said. One remarked on a probably necessary tendency of the *Transactions* and *The Record* to bowdlerize vigorous and entertaining comments. Many of these nonconformists, he added, were more picturesque in private than in public. One said, "I remember a discussion of his that was extremely forthright, but now that I find it in the *Transactions*, the sting seems to have been extracted."

Some referred me to the obituary of the named individual, but too often when I consulted it I found little more than chronology interspersed with polite generalities. This suggests that the Society may be making a mistake by not riding herd (if that term may be used without disrespect) in some way over obituaries accepted for the *Transactions*. If the deceased is known to be a person who contributed in some special way to the history of this organization, we ought to see that this is noted for posterity, even if this has to be done by supplemental reminiscences of contemporaries.

However, my quest for facts about outspoken actuaries has been thoroughly rewarded through the efforts of several of my friends. Among these I may, without slur upon others, mention particularly J. Gordon Beatty in Canada and Reinhard A. Hohaus in the United States. These two gentlemen devoted much time and effort, with exceptionally fine results, to furnishing documents and reminiscences germane to the subject.

It has been observed that the subjects that generate sparks do change greatly from generation to generation. For example, in earlier days "one could stir up a storm among actuaries merely by suggesting that the mor-

tality function that should be graduated is the cologarithm of the survival probability."

Altogether, forty-one actuaries were named at least once. Of these, eleven were nominated more than twice. The record was nine mentions, followed by two who were named seven times each. But all three of these are living members, two of them being regulars at our meetings, so I shall spare their blushes by keeping their identities to myself.

Those in the audience today who pride yourselves on knowledge of actuarial history may see if you can name the subject of each of the following comments.

"A man of singular contradictions; an idealist who was practical; a zealot with an orderly mind; an indefatigable contender over small points who rarely lost sight of the large ones." The words "devastating energy" are applied to him.

Who was he? Elizur Wright.

Or this: "He was actuary, lawyer, poet and Zoroastrian. He spoke nine languages fluently. He published one volume of poetry and several of prose. Actuarial students will do well to familiarize themselves with his writings on subjects in which they are interested."

Who was this man? Miles Menander Dawson, pioneer among consulting actuaries.

Or this: "He was often called the father of group insurance. His effort was opposed by fraternal, by agents and even by those in his own company who feared that issuing life insurance without medical examination would lead to financial destruction of the company. When indignant he was a formidable personality; his anger was always glacial rather than volcanic."

Who was he? William J. Graham.

Or this: "He sought truth without regard to his own opinions or the preferences of others. His aggressive quality frequently caused hurt feelings, for he let nothing stop him from getting to the heart of the subject. An austere man? No, just the opposite. He loved good shows, good jokes, good food, and so forth."

This was the pioneer in substandard insurance and founder of the Life Office Management Association, Franklin B. Mead.

"His advocacy of common stocks for life insurance companies appalled staid members. Was he wrong, or was he right in all except timing? Certainly he ran afoul of a longstanding actuarial dictum: 'We need not always be right, but when wrong we must be wrong within the measure of our strength.'"

This was Thomas B. Macaulay.

All of these and others could well be subjects of a separate paper on "Great Men of Our Profession," which I may get my advisers to help me write. These were men who believed strongly in the causes for which they fought. A few attempted, alas, to don the cloak of personal infallibility. One, not sketched above and not living today, was described as "an austere and brilliant man who never recognized the legitimate existence of any views but his own."

Several of my correspondents mentioned in passing skits that used to be put on by actuaries when the Society was smaller. These apparently were for the overt purpose of pricking the bubble of pomposity. Edmund M. McConney recalls a skit line to the effect that Robert Henderson's book on graduation was more easily understood if read backwards. This comment mightily amused the author but was rated in poor taste by another great man of that day.

Against what adversaries did those champions tilt? Not necessarily against concepts and practices that were ignoble; more often against those that were less noble or less appropriate than these men believed they should be. It was Henry H. Jackson (who probably belongs in the list himself) who quoted with approval the aphorism, "Virtue is more dangerous than vice, because its excesses are not subject to the restraints of conscience."

HALLMARKS OF A HERETIC

As we reflect on actuarial mavericks of whom each of us has recollection, what are the qualities that have made them memorable or notorious? In addition to the idealism that must motivate any reformer, it seems to me that there may be several identifying features clear enough to be catalogued.

1. There must be an ability to incite counterblasts of the orthodox. Our hero must summon up resistance, then fight against it. His convictions must exasperate, must excite, must arouse. Else there will be no flame in which to test the mettle of conviction.

2. A successful practitioner of controversy must be a phrase-maker possessing a gift for polemics and exhortation, not just for oration and description. Yet he must sense the limit beyond which vigor of expression becomes self-defeating. He must recognize that to make a point intelligently, persuasively, and quietly may well be a mark of strength when denunciations and exaggerations are just as surely signs of inadequacy.

3. He must have a nose to smell hypocrisy and cant, especially to detect those vast, usually unadvertised, conspiracies that restrain and

submerge criticism of the status quo in any society or industry, ours no exception.

4. Generally, but not universally, a heretic must be a person possessed of wit, to be used sparingly and appropriately. He must understand the value of satire and irony, even mockery, to expose and brush aside half-truths and inanities. Some years ago at Princeton, Professor Goldman touched on this point when he deplored what he discerned to be "a heavy, humorless, sanctimonious, stultifying atmosphere."

5. He must possess a suitable mixture of good judgment and good dogmatism. By "good dogmatism" is meant intense, justified belief in the reasonableness, if not the exact rightness, of his own convictions.

6. Valuable, if not essential, is a skin thick enough that rebuttals will not quench the spirit of stubborn nonconformity created by imagination and nurtured by indignation. Our hero must not lose heart any more than young Charles Darwin did when an eminent zoölogist disparaged his theory as "a mistake, untrue in its facts, unscientific in its method, and mischievous in its tendencies."

7. There must be readiness to accept personal sacrifice. If the issue is serious and the view unorthodox, pain and suffering, even if only through loss of popularity, are inevitable. True, this can be carried too far; one must aim to live to fight another day.

But it may be that, when the sufferer looks back, he will say as George King did when accepting the Gold Medal of the Institute of Actuaries:

Four times in my life I was out of a job, without knowing where I could earn the next sixpence, just because I would not accept conditions that seemed to me to be dishonorable or perhaps worse. I wish every member to know, the younger men especially, that I was never a penny the worse, and those whom I left were those who suffered most. . . . My advice would be that a man should be sure that his position is right, and then go forward boldly with no fear of what might happen to himself.

8. Clearly a solid base of creative, pioneering talent is prerequisite. It is all too easy to speak of existing practices in a derogatory way. It is far more difficult to suggest alternatives that can be accepted with confidence as improvements upon them.

CONCLUSION

If there is a point to all this other than merely to entertain, it must relate to the application of the ideas of yesterday to the circumstances of today and tomorrow. I think, I hope you think also, that there is such relevance. Certainly one of our younger members felt so when he wrote in this vein: "I feel the Society's meetings tend to inhibit diversity of

expression. This is especially true among the nonsenior members." Then, after speaking kindly of workshop as a refuge from all this, he went on, "What we need is some way to knock our fellow members on the head to stimulate some discussions. Perhaps we can have a public devil's advocate at each meeting whose sole purpose will be to oppose a speaker's comments." I offer this as a report, not necessarily a recommendation.

Said Emerson, "What is a man born for but to be a reformer, a remaker of what man has made, a renouncer of lies, a restorer of truth and good?"

Do you agree that, to the words spoken by our would-be reformers, we must listen, listen for truth, be it mature or in embryo? Assuredly we must not offer them the hemlock cup of imposed silence. Nor must we deflate their efforts by treating them as beneath our notice or by calling them disagreeable names. A critic may legitimately be called a critic; it is unnecessary to call him a "self-appointed" critic.

The task of all of us in the Society is to fight against stultification, to help one another become broader in outlook and capability. This cannot be accomplished if we muzzle, forceably or adroitly, our critics. And one effort we must always continue is to restrain one another from so helter-skelter a rush after that which is new that we neglect to improve that which has always been with us.

To conclude these musings, may I address a thought to many here who will be, if you are not already, faced with the choice of criticizing or of passively accepting a condition that cries out to you, if apparently not to others around you, for rectification. In his book *Profiles in Courage* John F. Kennedy examined situations allied to this but in the political arena. In wishing you well in the decision that you reach and in the efforts that you decide to undertake, perhaps I may adapt, by paraphrasing, the words of Mr. Kennedy:

To be courageous requires no exceptional qualifications, no magic formula. It is an opportunity that sooner or later is presented to each of us. Stories of past courage can define that ingredient, they can teach, offer hope, provide inspiration. But they cannot supply courage itself. For this each man must look into his own soul.

