

becoming over-fashionable? Has the market gone mad? Is the analyst mad? No instructions can solve such problems. But Weaver's book will go a long way towards it.

A. W. JOSEPH

## CORRESPONDENCE

(To the Editor of the Journal of the Institute of Actuaries)

I am indebted to Mr R. H. Daw who went to considerable trouble to try to reproduce from the original data the figures in Table 4 of my paper in *J.I.A.* 1970, 96, 271.

In searching for the reason for our differing results I found an error in the computer program which had been used which accounted for some of the difference, but was surprised to find that the varying intercensal estimates of population which are made from time to time result in quite widely differing values of  $\chi^2$ . Population estimates are made each year based on the previous census (1961) and migration figures. Following the next census (1966) a complete revision of the 1961 to 1966 population estimates is made. Where, as in Australia, there is substantial migration, it is not surprising that the earlier estimates for some age groups are as much as over 2% out. This can of course be quite important when one is studying variation and makes one a little apprehensive about some of the less convincing results by this method.

I have repeated the calculations for Table 4 using post-1966 census estimates of the population by age from 1961 to 1966. The figures differ from those published in *J.I.A.* 96 but present much the same picture as before and I think the same comments are relevant.

Yours faithfully,

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With a few exceptions, the revised values of  $5k_2/Npq$  are the same or less than those in the table the reductions averaging some 15% to 20%.

Ed. *J.I.A.*

## CORRECTION

The following contribution to the discussion of Mr T. H. M. Oppé's paper on The Implications for British Insurance, particularly Long-term Business, of joining the European Common Market (*J.I.A.* 1971, 97, 185) was accidentally omitted:

**Mr C. D. Sharp** commented that he had been the advisor to an advanced study group run by the Insurance Institute of London on life assurance and the Common Market, which had reported in 1965. It seemed clear that, while there had been a great deal of study there had been very little action. He wanted to stress the points made in § 104 of the paper dealing with the constraints imposed by the need to prevent distortion of competition. Until one had harmonization of taxation and legal systems there was not likely to be any real progress with the harmonization of insurance as a whole.

If, as was stated in §§ 45.3 and 48 respectively, any valuation must provide for future increase in expenses and, at the same time, the rate of interest must be reduced to a level acceptable to the controlling authority, then a very serious problem was likely to arise. So far as inflation pushed up expenses it had also pushed up interest. If the controlling authority were to insist on divorcing the treatment of the two factors, then an unacceptable valuation strain might result.