

**TRANSACTIONS OF SOCIETY OF ACTUARIES
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**DIGEST OF DISCUSSION OF PROPOSED
CONSTITUTIONAL AMENDMENT**

PRESIDENT HAROLD R. LAWSON: The next and last item on our program for this morning is a general and open discussion of a proposed amendment to our Constitution.

The Board of Governors considered the proposal of the Committee on the Future Course of the Society very carefully and decided that the Constitution should be amended in the way proposed. With all due respect to the thoughts of the founders of our Society back in the year 1889, we do feel that today there are occasions when our Society has to stand up and be counted.

Now, there is a provision in our Constitution that comes under the heading of "Amendments to the Constitution," whereby an amendment has to be proposed by the Board of Governors and notice of this proposed amendment must be circulated to the Fellows of the Society not less than twenty days prior to the meeting at which it is going to be voted upon. For that reason, we had another Board meeting just yesterday. There we had the benefits of the discussion that took place at our first two spring meetings, the one in New York and the other in New Orleans. Further, a lot of discussion was devoted to this matter at the Board meeting yesterday.

I might say that behind the scenes and in between meetings there has been a lot of correspondence on the subject and that the Board has had the benefit of a great many suggestions and ideas and has certainly become aware of the pitfalls that must be avoided if we are to act on this under the procedure recommended. However, the thing I want to emphasize is that, after having had the benefit of all the discussion and having given the matter all this thought, our Board of Governors yesterday was absolutely unanimous in recommending that this amendment do be put up to the Society at the fall meeting.

Now, of course, we are not going to overlook any discussion that may take place this morning. This will likewise be considered. In fact, the whole matter will again be considered, and this amendment, presumably in either its present form or with some modification, will be put to a vote at our fall meeting.

MR. WARREN R. ADAMS: The proposed constitutional amendment represents a drastic change in the functions of the Society. The Miami meeting report of the Committee on the Future Course of the Society of

Actuaries, which serves as the primary defense of the amendment, deserves the careful study of all members.

My purpose in speaking here is to point out and comment on those sections of the committee report which, I think, indicate serious weaknesses in the proposed amendment.

Quoting from the second paragraph of the report:

. . . limiting ourselves to committees dealing with national pension problems in the United States, we can count the names of more than a score of Fellows of this Society who are giving committee service outside of their regular employment. The influence of these individual efforts is unquestionably great. . . .

At this point the reader feels that strictly actuarial matters, at least in the realm of pension problems, are being well attended. However, the committee goes on to say that our profession "has no clearly-accepted or clearly-recognized procedure for giving answers" to various proposals. If, by "answers," the committee means answers to questions dealing specifically with strictly actuarial problems, surely these "answers" are being furnished adequately through the efforts of individual actuaries. If, by "answers," we mean our analysis of some problem outside the scope of actuarial science, then I doubt that we, *as a Society*, have any particular competence which would justify our giving an opinion.

This report further states that "it would be foolish to suppose that all of us would ever totally agree on the best answers to the kind of public questions that arise." Contrary to a strict interpretation of the term "special professional competence," which appears in the proposed amendment, this statement indicates an interest in dealing with subjects on which there might be a wide division within the Society. This is also indicated by the amendment, requirement of a disclaimer in those instances where the opinion is not submitted to a vote. Although, in a legalistic sense, a disclaimer relieves the Society of responsibility for the opinion, in practice this device may have limited value, and many may assume that the opinion represents the view of the whole Society. We need look only at the experience of the American Medical Association to see the sort of fragmenting effects this could have in our organization. I doubt if any of us really wants the Society to follow that path.

The last sentence of Article II of our present Constitution says, "No resolution expressive of opinion shall be entertained at any meeting of the Society of Actuaries." As mentioned in the Committee report, this provision was included in the original Constitution of the Actuarial Society to avoid having the aborning Society become the instrument for any criticism of individual companies or individual plans of business. This reason was given by Sheppard Homans, who also mentioned the "danger

of what may be called politics, in the organization of an Institute of Actuaries in this country." Although Mr. Homans' term "politics" referred specifically to the criticism of companies and plans of business, there is surely as much danger associated with Society criticism, favorable, unfavorable, or neutral, of the legislative proposals of a particular political party or administration. No matter how objectively such criticism is drawn, there will be significant elements in the Society which will oppose the opinion.

The report states that "the founders did not contemplate today's situation of a well-established actuarial organization in a world of insurance and pensions in which 'business' is now but a part." However, in *TASA*, I, 41 and 42, we find that Clayton C. Hall (Editor of *TASA*, 1905-8), in remarks made at a dinner meeting on the evening preceding the adoption of the original constitution, referred to actuaries' ability to deal with questions of administration of public debt. In closing, Mr. Hall said that he was confident that "whenever the advice of *any of its members* is sought upon these or *similar questions*, it will command and receive the respect and attention which are due to sound and deliberate judgment." The founders of the Actuarial Society were aware of extracurricular applications of actuarial science, but, as indicated by Mr. Hall and the original constitution, these matters were not the responsibility of the Society as a whole but were left to the attention of individual members whose advice might be *sought*. It is this individual approach which has become a standard part of our way of doing things and which, in my opinion, adequately serves its purpose in bringing actuarial science to bear on specific actuarial subject matter.

Traditionally, insurance trade associations, particularly the ALC and LIAA, have represented special interests of the life insurance industry. This covers essentially all interests of Society members except the trustee portion of pension business. It may well be worthwhile to consider other means for expressing extraprofessional opinions on pension problems in preference to changing the Society's practice.

MR. LAWRENCE MITCHELL: This is an appeal to all Fellows of the Society to attend the annual meeting and vote.

Some members of the Society of Actuaries are proposing an amendment to its constitution. The amendment attempts to allow the Society to make public expression of professional opinion. The amendment provides two ways in which the opinion can be presented:

1. An opinion of the Society shall require advance approval by an affirmative vote of at least two-thirds of the Fellows who vote in a mail ballot.

2. An opinion of the Board of Governors or a committee authorized by the Board to express an opinion shall indicate that it does not purport to represent the views of the Society of Actuaries, but only of the Board or the Committee, as the case may be.

Presumably a change will be made in the Guides to Professional Conduct.

I am opposed to this amendment as it is written. In my opinion, it is a very bad amendment for a very large number of reasons:

1. An opinion rendered by the Board or members of a committee speaking as individuals will be considered an opinion of the Society.

Most people will find it difficult to distinguish between an opinion of the individual members of the Board or committee and one which also represents the Society. After all, to most people, a statement by the management or by the Board of Directors of a company would seem to represent the views of that company.

2. How does one express a minority opinion? Or a disagreement with the Society's views?

If the members of the Society of Actuaries should decide to make public an opinion which says mutual companies have too many dollars held in surplus and can at this point without any great degree of risk to stability relinquish the excess surplus to current policyholders, how could those of us who felt differently react?

Can we resign from the Society? I cannot! I need that F.S.A. designation on my letterhead. I have nowhere else to turn for the "professional" edge over my competitors. In some other professional associations, such as the American Bar Association, membership within the organization is not required in order to be able to practice in the profession. This is not so with our Society.

3. No committee or Board should have the right to render an opinion without first coming to the members of the Society for approval.

Under the proposed amendment, the Board and the committees would be free to express their opinions without any advance notice to the membership, without soliciting the members' views and without informing the members of opinions which had, in fact, already been expressed. And there is no provision for any expression of minority opinion.

4. Can the Society as a whole be involved in opinions which concern political or social or economic matters and which are not purely "technical" matters?

Although, for example, the integration of Social Security in private pension plans does involve some fundamental actuarial problems, the

major question is not that of the purely technical actuarial problem as most of us know it. Rather, it encompasses the much broader political and economic question in the area of "discrimination."

I firmly believe that each member of the Society should have the right to act on his own and comment upon these. I would also like to see the Society provide us with information upon which we can make a decent comment. However, I do not believe that the Society should make the comments for us. These are, again, not purely technical questions.

How nice it would have been if the members of the Society's Committee To Study Pension Plan Problems had sent their statement on the IRS Bulletin No. 66-58 concerning integration to the members of the Society, instead of to the IRS. In my case, it would have helped me change my somewhat inane argument to a much more forceful one.

5. The Society is not the appropriate vehicle for expression of opinion on certain legislative matters.

Opinions on any legislative matters should be formulated on the appropriate national or local basis and not by an international organization such as the Society. Should we, with the significant Canadian minority, be taking a position on integration of United States pension plans with United States Social Security? If so, should we take positions on Canadian matters?

6. Actuaries have not been "unbiased."

Members of the committees of the Society have usually been chosen as a consequence of their business involvement with the subject matter of the committee, and this necessarily results in these members having a partisan interest in the subject matter. Because of our training and experience, we are biased toward funded formal arrangements with high degree of individual equity to solve some of the economic security problems that might better be solved by informal, unfunded arrangements. Those of us who have worked in the group insurance and pension field have often heard expressions of amazement on the part of actuaries who work with individual insurance at the apparent lack of individual equity in group welfare and pension plans.

Also, actuaries in the past have expressed views on some subjects which have been highly correlated with their employer's or business' policies. There is a long list of subjects involved here—equity annuities, investment of pension plans in common stock, group annuities versus individual policy pension trusts. The list is not a short one.

7. Actuaries can make their views known on subjects through means other than an opinion of the Society, and these means are available to them right now.

The *Transactions* provides us with a vehicle for papers, discussion of papers, and informal discussions. "The Actuary" allows us another vehicle for expression of opinion. Many, many more inferences and shades of opinion can be made in these ways than through a vehicle which expresses a consensus, or a collective opinion.

The public has become increasingly aware of our areas of special competence, and we are being asked by legislators and government administrators for our views as actuaries. But we should provide these views as individuals, or, where appropriate, as representatives of our employers or clients.

8. The Board, or the Committee of the Society or the Society itself may not be able to confine the expression of opinion to "matters within the special professional competence of actuaries."

How can you confine a question to a matter of special actuarial expertise? Facts are a rather slippery item—what is fact to one reasonable man may be opinion to another. For example, the fact is that I am a member of the fastest growing actuarial firm located in Hollywood, California, with offices overlooking the Hotel Knickerbocker swimming pool. To someone else, I am a member of the slowest growing actuarial firm. . . .

Once a committee gets into the special actuarial aspects of a matter, it is drawn into much broader aspects as can be illustrated over and over again by our own Society's committees. It is very difficult for committee members and chairmen, who, along with their employers and clients, have strong interests in the subject matter of their committees' special assignments, to confine themselves to matters of "special actuarial competence." An actuary identified as a representative of a Society committee to testify on actuarial matters before a legislative body will be hard pressed to confine his testimony to actuarial matters. He will have to answer the questions put to him. Those of us who have appeared at legislative hearings know this. These questions quite often veer way, way afield of the purely technical sphere of the actuary.

9. The committee report as read by Mr. Klem suggested that it would be more reasonable to expect an increasing measure of public and legal recognition for the profession if we had a mechanism for expressing our views on questions of major public interest. I wonder if such a thing might actually backfire.

If the Society expresses opinions, actuaries who disagree with the opinions could publicly express their disagreement. In so doing, they might mention that the Society is run largely by actuaries who are executives and managers of large insurance companies and whose viewpoints might

be quite biased. If the Society expresses opinions, it could be made to appear to be a super trade association representing those institutions which have special interests in existing arrangements for the provision of economic security in the event of death, disability, sickness, and old age.

The American Medical Association's involvement with federal health insurance legislation has resulted in a considerable loss of prestige as a professional organization to the AMA, whose machinery is controlled by a politically conservative group. This, in spite of the fact that its activities in almost all other areas are very much in the public interest.

10. The Society's organization and procedures are not suitable for expression of opinion.

We do not elect the members of the Board of Governors on the basis of their stated positions on various issues. There is no campaigning, or at least, not actively, and the entire Board is chosen on an at-large basis, without cumulative voting, with attendance at the annual meeting required in order to vote. The terms of office of the membership are staggered, and this prevents a sizable minority, even if well organized, to elect a Board member. The appointment of committees is entirely in the hands of the President, once the Board has authorized the establishment of a committee.

The Society committees and Board are usually made up of older members in the Society and also members of firms which are fortunate enough to be able to allow key men the time and money to spend working so actively for the Society. Although Board members and committee members who are employed in large companies and consulting firms may inform their associates of what is going on within the Society, those in the smaller firms are generally kept in the dark. There is a danger in allowing a Board or a committee so comprised to make an expression of opinion—even though they do it not as representing the views of the Society of Actuaries, but only of the Board or the committee, as the case may be.

11. There may be times when the Society should express opinions.

These should be limited, though, to those opinions of the Society which are approved by an affirmative vote of at least two-thirds or perhaps three-fourths of all the Fellows who are members of the Society. Not just those who are attending the meeting. Nor just those who vote.

We cannot allow a Board or a committee to express an opinion of the Board or committee itself. No matter how it is worded, no matter how many disclaimers we might hear, such an opinion would be viewed as an opinion of the Society. The only way to prevent this from happening is to keep the muzzle on the Board.

PRESIDENT LAWSON: We are indebted to you, Mr. Mitchell, for that very exhaustive discussion. I predict that Mr. Mitchell will be elected no matter what happens to the amendment.

MR. HOWARD YOUNG: Unlike many others who have expressed reservations concerning the amendment, I support the basic principle that an organization such as the Society should take a position on questions involving its specialized knowledge; my concern is with the implementation of this principle. Therefore, I suggest that the amendment be modified, or that an amendment to the Bylaws be simultaneously presented to the members, in order to accomplish the following:

1. To more completely assure that any opinion is (as the proposal requires) actually "on matters within the special professional competence of actuaries," any committee opinion should be reviewed by the Board to see that it does not go beyond that limit.

It is extremely important to recognize where our professional competence ends even if our professional interest continues. To use two specific illustrations:

- a) The Society has special professional competence to issue an opinion on whether cigarette smoking increases morbidity or mortality; the Society does not have any special professional competence to issue an opinion on whether the manufacture of cigarettes should be restricted.

- b) The Society has special professional competence to issue an opinion on the probable cost of various vesting rules in pension plans; the Society does not have any special professional competence to issue an opinion on the vesting rules which should be included in pension plans.

2. The fact that the Board or any committee has a particular subject under study should be well publicized, in order to give all actuaries who have special professional competence an opportunity to contribute to that study. Our new monthly newsletter "The Actuary" might be an appropriate vehicle for this.

3. Any opinion of the Board or a committee should be sent to each member of the Society about two weeks *before* it is officially released. This would not be a canvass for approval but to inform the members of any opinions issued and to permit them to familiarize themselves with it *before* it becomes a matter of public debate. Society members should not have to learn of Society opinions from newspaper reports.

With this kind of procedural arrangement, I would be willing to support the proposed new Article VII.

MR. CONRAD M. SIEGEL: At past meetings, the proponents of the change were asked to give examples of situations in which the Society might have taken a public position, had the authority been available. Mr. Henry Beers and Mr. John Hanson indicated several "burning issues" of the last fifty years where they felt it would have been a *mistake* for the Society to have taken a public position. Other members have suggested only two areas which might have been suitable for public pronouncements—actuarial soundness as applied to Social Security financing and accounting for the cost of pension plans.

Recently, in his *Newsweek* column, Professor Paul Samuelson, a respected economist whose views have been widely sought by the Kennedy administration and also the Johnson administration, used the sentence, "The beauty about Social Insurance is that it is actuarially unsound." Should the Society of Actuaries have appointed a committee to issue a report notifying Professor Samuelson that the trust funds plus the present value of taxes over the next seventy-five years exceeds the present value of benefits to be paid in this period, all computed using the current benefit structure and current projected tax rates? Would these assumptions leading to the Society of Actuaries' "seal of actuarial soundness" be more realistic than Professor Samuelson's assumptions of continuing inflation, rapid population growth, rapid growth in real incomes, and vast expansion of benefit levels?

In pension cost accounting, as well as Social Security financing, the actuarial aspects cannot be easily separated from the social, fiscal, political, legal, accounting, and economic aspects.

As Mr. Miller reported, a Society committee has in fact presented a report to an outside body—on pension plan integration to the Internal Revenue Service. Mr. Miller further indicated that the preparers of that report were identified as members of the Society committee concerned with the subject matter but that the views expressed were expressed as those of the individual preparers only. In my view, the identification of the preparers as members of the Society's committee cannot help but lend official weight to the report, despite the disclaimer. Consequently, I think the entire membership of the Society of Actuaries is entitled to receive a copy of this report, in order to be aware of the quasi-official views publicly released by the committee.

If, last fall, the Society of Actuaries had had the constitutional power to prepare officially a submission to the I.R.S. on Announcement 66-58, I think that this subject would not have been appropriate. Although I have seen several of the twenty-three hundred submissions that were

sent in, I have yet to see two that used the same approach or that reached the same result. The integration question involves the application of supposedly precise actuarial calculations to a very slippery legal, economic, social, and fiscal framework.

I do not think that there is any question that most actuarial submissions on integration were prompted by the adverse effect of the proposed regulations on the plans of existing clients and policyholders.

I feel that the Society members, the vast majority of whom are engaged in work involving private, funded security programs, cannot easily ignore the wishes of their employers, policyholders, and clients. It would be interesting to have the Society issue public reports on each of the following topics: (1) the practice of insuring the deductible and coinsurance elements of Medicare and (2) the practice of selling life insurance on the traditional twenty-year net cost comparison.

MR. ROBERT F. DAVIS: With all due respect to Mr. Klem, I remain unconvinced that there has been any great public outcry for actuaries to express their opinions on public issues, whether such opinions be professional or otherwise. In my few contacts with John Q. Public, I have been impressed by the apparent fact that few people even know we exist and probably even fewer care. Thus, I submit to you that if we vote for this amendment, we are doing so merely to bolster our own ego and not for the purpose of providing a free service for the public as some of us may be deluding ourselves.

Now do not get me wrong. I think that everyone has a perfect right to bolster his or her ego. However, within our little organization, I am afraid some egos would be upgraded at the expense of others which would be downgraded. The members who consistently find themselves on the winning side on various public issues on which the Society takes sides would probably get some satisfaction out of a collective expression of opinion system. I do not believe this would be true for those members who consistently find themselves on the losing side.

I think adoption of this amendment could upset the present apparent harmony within our Society. At the present time most of us have no idea as to the nature of the political makeup of our membership. I personally am glad that when I talk to a fellow member about a public issue that I do not know whether he is a Republican, Democrat, Socialist, Communist, rightist, or leftist. If we adopt this amendment, I predict that within a short time we will all be classified by fellow members as a rightist, leftist, liberal, radical, middle-of-the-roader, or of some other political faith equally derogatory.

I also believe collective expression of professional opinion by the majority members of our Society will subconsciously or otherwise inhibit the free expression of opinion by the minority members. For most of us it is not much fun to belong to a minority group, and some of us just do not have the courage to defend an unpopular viewpoint. For example, I might never have written this discussion if I had no doubt that the amendment was going to be adopted by a huge margin.

Some of us may believe that we can keep politics out of our collective expressions of professional opinion, particularly if we are careful to stick to opinions which actually reflect our professional competence. However, some issues are so controversial and so tempting that I think there will be occasions when we will find it very difficult to keep our opinions to ourselves. In such an event, I think our personal political makeup will have a stronger influence on our collective expression of opinion than our professional competence.

If most of us really do want to express ourselves in a collective nature on some issues, then I would favor a Gallup Poll type system. Under such a system the members would be given several different levels or choices for expressing their opinion on a public issue much like the Gallup Poll. After a poll's results are in, we would release to the press all the statistics of the poll. This would include the number of members who held the most unpopular viewpoint, and I think this would help such members to get some satisfaction out of a public expression of opinion system.

Another reason I am not in favor of the amendment as it has been presented to us is that I feel it grants far too much power to our Board of Governors. I would expect that the only ballots for expression of opinion which would ever be submitted to the membership for a vote would be those ballots which reflected the political philosophy of a majority of the Board members. This would not be so bad except hardly any of the Board members actively campaign for their office. Thus, very few of us can predict in advance the attitude of our various Board members toward any controversial public issue.

I think that I might be willing to support the collective expression of professional opinion concept by our Society under the following circumstances:

1. If every expression of opinion resolution proposed by the Board of Governors is first presented for free discussion at a regular or special meeting of the Society. I think discussing each resolution in advance of a vote would help to reduce any undue influence of the Board. It would give the membership an opportunity to determine how other members felt about a proposed expression of opinion resolution. If we always had to vote cold

on a resolution seen for the first time in a mail ballot, a lot of us would probably assume "Well, why not, everyone else will probably vote yes."

2. If no resolution on expression of opinion would ever be submitted to the entire membership for a vote unless it was first recommended by a majority of those members which attended a meeting or meetings at which such resolution was freely discussed.

3. If no resolution of opinion would ever be considered finally approved unless it was approved by two-thirds of the Fellows of the Society and not merely two-thirds of the Fellows who vote as the proposed amendment is now written.

Some of you may feel that by the time we go through all the red tape I have proposed that a particular public issue will long since have been solved rightly or wrongly or that it will have died a natural death. I grant that this is possible, but it appears to me that most really controversial public issues stay around for a long time. In the majority of cases I predict we would have plenty of time to say our piece, probably several times in as many different ways.

In summary I would like to repeat that I am not in favor of the amendment as it is now drafted for the following reasons:

1. I see no real need for a collective opinion of actuaries. I doubt if it will prove very effective in influencing public opinion, and I doubt even more that it will prove to be a real public service, if that is the alleged function of the amendment.

2. It grants too much expression of opinion power to our Board of Governors. The amendment contains no provision whereby individual members may submit resolutions of opinion to the membership.

3. It provides no medium for expression of opinion by those members who might be in the minority on a particular issue, and I also think it would tend to inhibit the free expression of opinion by those members who appear to hold an unpopular viewpoint.

4. I think it is more satisfying personally to express my individual opinion as I am doing here than to join with others in a collective opinion. If our objective is to influence legislation by the various political bodies, then we might get better results by hiring ourselves a good lobbyist.

MR. ARDIAN C. GILL: Let me say, with regard to this matter, that I do not entirely agree with the previous speakers. In fact, I do not think we could have had a better group studying this difficult question, and, having been given the responsibility of drafting such an amendment, I do not think anyone could have drafted a better amendment. However,

if I may, for a moment, wallow in the luxury of not having had that responsibility, I would like to enter a dissenting vote.

I prefer the present splendid state of actuarial anarchy, where we are privileged to be opinionated, while remaining opinionless. I think the two-thirds proposal is only slightly less objectionable than the select committee approach. If I were a member of the majority, I would perhaps feel it was wrong to overrule the minority, and if I were a member of the minority, I would damn well know it was wrong.

With regard to the second proposal, I certainly think the Board of Governors can be trusted with this weighty responsibility, but it is open to the same general question as the first: "Is there a real need for it?" On this question I would hope the members would give consideration to the Scotch verdict "not proved."

MR. FRANK J. ALPERT: The question has been raised as to a need for this amendment. I would like to say that I think there is a definite need. Under the present constitution we are defenseless against formal statements by other professional bodies attempting to operate as actuaries. Without an expression of opinion on the part of the Society we just cannot combat that successfully.

Second, I think there is a more general area of desirability in which the Society can contribute a formal opinion on matters of public policy. It should not be a choice between various alternatives, but we should provide the facts, the evaluation of various alternatives in such a way that the community at large can make an informed decision.

I think, however, that an opinion of the Society should be just that—that it should be supported by a substantial majority of the members and not simply come from the Board. I do not see how we can ever in practice have an opinion of the Board be represented as only that. It would inevitably carry the weight of the Society as a whole.

MR. RICHARD E. BAYLES: While we in the actuarial profession should express our professional opinion, there are serious reservations:

1. We must avoid any hint of self-serving, either for our profession or for our respective employers. If we even *appear* to be self-serving, the public will discount our opinions—and rightly so.

2. Our election procedures for the Executive Committee and the Board of Governors encourage a wide geographical and employer-type-relationship distribution, roughly representing the membership as a whole. If we know that the elected individuals will greatly influence our profes-

sional opinion, will we not vote with this in mind, upsetting the balanced representation? For the immediate future, I do not see this as a problem, but we should retain the concept of balanced representation—by constitutional amendment if necessary.

3. There is bound to be an underrepresentation of younger Fellows on any board. Perhaps we could expand the Board of Governors to include, preferably on an informal basis, a minimum number of Fellows of less than ten years' standing.

4. The proposed amendment requires two-thirds of the Fellows voting by a mail ballot. I suggest changing the following: “. . . require . . . vote of (a) at least three-fourths of the Fellows who vote in a mail ballot, or (b) one-third of the Fellows of the Society of Actuaries enrolled on the most recent January 1, whichever is larger.” Unless there is a strong enough feeling for a significant number of Fellows of the Society to concur, there is little justification for promulgating a professional opinion.

5. What are the procedures to be followed by the Board of Governors—is it majority of members, majority present and voting, two-thirds, or what? Since the public will probably not differentiate between an opinion of the Society and an opinion of the Board of Governors, this is important to the Society membership.

6. Point 3 of our Guides to Professional Conduct states that “. . . [he] will recognize that there is substantial room for honest differences of opinion on many matters.” At the same time we promulgate an opinion, along with our reasons, we should provide for dissenting viewpoints. If there is at least one dissenting member of the Board of Governors, he (or they) should be allowed to formulate a dissenting opinion which would be attached to the majority opinion, much as the United States Supreme Court does when the Justices are divided. I am not sure how this could work for a ballot by mail. If we assume that a “No” vote of at least one-eighth indicates a substantial body of dissenting opinion, there would still be a problem of deciding who would formulate the dissenting opinion, but it is worth study.

7. The opinions themselves should be couched in terms of a hypothetical imperative. For instance, “If you (the public) want ‘a-b-c,’ then. . . .” As private citizens we have every right to our viewpoint as to what ‘a-b-c’ will be, but as a professional organization we should not specify ‘a-b-c.’

In conclusion, if we keep these reservations in mind, and revise the amendment itself where appropriate, I would support the proposed change.

MR. THOMAS C. BARHAM III: There is something to be said for the Society's expression of a "Consensus of Opinion" rather than an "Opinion."

Admittedly, this is superficially weaker, but it preserves the concept of "actuarial individuality," provides the public with a proper actuarial opinion when needed, and emphasizes to the public that the whole Society is not necessarily of the same opinion.

MR. HARRY M. SARASON: Each of us has responsibilities as citizens of a republic or of a democracy, with tens of millions of others. Each of us has more concentrated citizenship responsibilities—as workers in insurance, as hobbyists (in conservation, perhaps), as religionists, and as actuaries. Each of us has purely individual citizenship responsibilities arising from our purely individual backgrounds and our purely individual abilities—as mathematicians, as speakers, as writers, as doorbell-ringers.

Groups of actuaries have citizenship responsibilities as groups. Several competent Fellows of the British Institute of Actuaries were requested to respond to this group responsibility by writing a joint paper on the economic effects of pension plans for the benefit of the British government. Their paper was printed in the 1954 *Journal of the Institute of Actuaries*. The paper was fully discussed by members of the Institute of Actuaries and also by members of the Faculty of Actuaries. The paper, the discussions, and an abstract of the whole were then sent to the responsible officials of the British government.

I think this British method of fulfilling the group-citizenship responsibility of actuaries is the proper course for American actuaries to follow as a group—rather than by resolutions expressive of opinion. I also think that each of us individually should consider ways of making our knowledge and our abilities effective on the governmental level in all our fields of competence, *effective for beneficiaries of our insurance and retirement plans, and effective for the well-being of our two countries as a whole, and, sometimes, for the entire world.*

As a Society it is rarely proper for us to *strive* to influence governmental action. As citizens, on the other hand, it is our duty to influence governmental action.

I have done considerable soul-searching about my own citizenship responsibilities as an individual and as an actuary. As a result I am becoming quite active in politics—both as an individual and as an actuary.

In the next few months, as citizens of this Society, it is the duty of those of us who are Fellows or soon-to-become-Fellows to prepare our-

selves to vote as informed citizens on the constitutional amendment which we are now discussing.

PRESIDENT LAWSON: I wish to thank all of you who took part in this discussion for your thoughts that you have given to us.

I would just like to say again that the Board did have the responsibility of coming up with a solution to this problem. It is very easy, of course, to pick fault, as one of our speakers said, and to be critical. However, it is not quite so easy to come up with a positive solution. The Committee on the Future Course of the Society and the Board have tried to find their way through this great maze of argument and to come up with a practical solution. What we have produced is offered in the form of this amendment.

Now, I do not want you to think that the Board in any sense wants to override the general feeling of the members of the Society. This is why we have gone to such trouble to arrange for these discussions at the three spring meetings, and, later on, between now and the end of October, we propose to publish transcripts of these discussions—maybe not quite in full, but nevertheless not leaving any arguments out. They may be edited down a little bit in order to avoid repetition and that sort of thing. We want the vote on this matter to be completely democratic, and your Board will certainly be happy to support and promote whatever seems to be the will of the Society.