

RECORD

KEYNOTE DEBATE

Debaters: THOMAS P. BOWLES, JR. (affirmative), ROBIN B. LECKIE (negative). Moderator: DWIGHT K. BARTLETT, III. Commentator: W. ROBERT WYMAN. Recorder: ROBERT N. CHIAPPETTA*

"RESOLVED: THE SOCIETY OF ACTUARIES IS
FAILING TO EQUIP ITS MEMBERS FOR THE ROLE
THEIR EMPLOYERS AND CLIENTS SHOULD
EXPECT OF THEM."

MR. DWIGHT K. BARTLETT, III: Most of you are aware that several years ago, some members of the Society wrote to the Board suggesting that they should seek accreditation of the FSA with insurance commissioners in the United States for purposes of signing life insurance statements as actuaries. A task force, chaired by Julius Vogel, prepared a report concerning the implications to the Society in taking such a step. The Board decided to refer the subject to the Committee on Planning, feeling that a more fundamental examination had to take place concerning the role of the actuary in general and what the Society is doing to prepare its members for that role.

The Committee on Planning, which I chair as president-elect, has had a series of meetings this year looking at these fundamental subjects. This debate is one of a number of steps being taken and is intended to spark further consideration of these topics by the membership.

The membership received a discussion paper which was prepared by the Committee on Planning on the subject of the role of the actuary. We had, perhaps, a dozen comments on that paper and I encourage all of you who are interested in the subject to communicate with the Committee on Planning. We will also be making, between now and the annual meeting this Fall, a number of presentations to local actuarial clubs on these topics, and we are planning a report to the Board at the annual meeting this Fall.

The purpose of this debate is to stimulate your thinking on these very important topics and we hope that you will participate in one way or another. While this is set up in the form of a debate, you should concentrate on the substance of what is being said rather than the style of presentation.

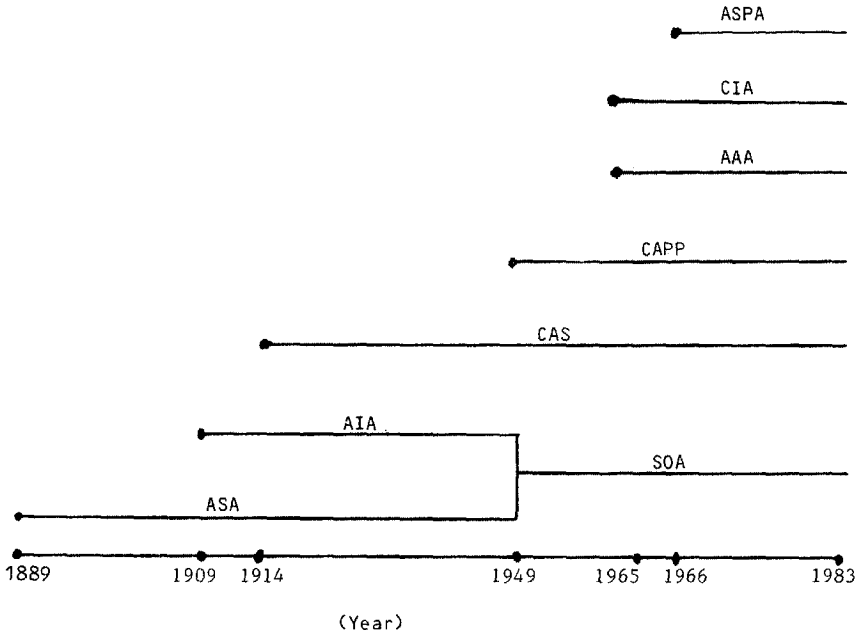
MR. THOMAS P. BOWLES, JR.: To put the issues in perspective, it is necessary to recognize certain unassailable facts.

1. The profession has evolved from the embryo of a private profession, nested, nurtured and fed in the warm womb of a life insurance company, to its role today as a public profession with demanding responsibilities.

*Mr. Wyman, not a member of the Society, is Chairman of Pemberton Houston Willoughby, Inc. and incoming Chairman, Canadian Chamber of Commerce.

2. The profile of the Society of Actuaries' membership and the perception of our profession by the public have changed significantly, requiring a change in our response to the needs of the public and of our members.
3. The organizational structure of the profession has exacerbated the identification problem of the profession.

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4. The Society of Actuaries, all of us, members, leaders, past and present, have been somewhat professionally arrogant in our attitude towards other actuarial organizations.

The affirmative recognizes that productive, meaningful debate is possible only if a reasonable interpretation is given to the proposition. That is, I believe, a prerogative of the affirmative. We need not, nor do we intend to, become mired in semantics. Failure must be measured by comparing results with objectives. What is meant by "equip"? The Society has not defined its "role". The real world forces us to recognize what actually is expected, not what should be expected.

In 1936 I took my first actuarial examination. I remember clearly that year because it was in 1936 that "Gone With the Wind" was published. During the 47 years since then, a pursuit of the actuarial profession and

service to the Society of Actuaries have absorbed a substantial portion of my life. I remain a debtor to my profession.

The Society has not failed me. It has not failed you. The Society's education and examination discipline provided the basis upon which I was able to equip myself to fill the role that both my employer, and while in consulting, my clients did expect of me.

One may persuasively assert that the Society of Actuaries does not equip. It provides the mechanism whereby the aspiring actuary and the graduate may equip himself to pursue his profession. In the real world there is really no place for one who seeks to be spoonfed. The materials are provided. Each builds his own bridge. On the other side of the chasm that separates basic education discipline from reality, the member prepares himself to fill the role that is expected of him.

When the objective observer of the profession critically views the Year Book of the Society, which requires 17 pages to outline its extensive committee organization, he is impressed with the scope of its educational, research and scientific activities, an awesome array of professional activities. However, the leadership of the Society should not be seduced into complacency by the visible, ambitious structure of its organization. By the testimony of its own committees and task forces, it is failing in several areas to respond to the needs of the profession and its members.

The affirmative interprets the proposition to state that a failure to respond adequately to a rapidly changing and volatile environment is a failure, in fact, to provide the structure within which the needs of the members are met so that they can respond to the needs of the public. This failure makes it more difficult for the members to fill the role that clients and employers expect of them.

It is self-evident that every profession must be flexible and responsive to the environment. Indeed, a profession must anticipate the future if it is to even survive.

To support the proposition of failure the affirmative makes four assertions:

1. The Society has failed to make fellowship sufficiently attractive to enroll and graduate the number required to obtain reasonable minimum growth in membership and to meet demand.
 - a. Since 1976, the number passing part one has steadily decreased.
 - b. The number of new Fellows has begun to decline.
 - c. According to the Society's Director of Education, a projected growth of even three to five percent "would require a recruiting and publicity effort beyond the scope of anything presently contemplated."
 - d. The Director of the Georgia State Actuarial School says that he can place three times the number his university graduates. We believe this is typical. He also foresees the supply to continue to fall below the demand.

2. The Society's failure to adequately recognize the needs of the consultant, particularly the pension consultant.
 - a. During the last 30 years, the percent of membership in consulting has increased from 8.2% to 33.1%. The percentage with insurance companies has correspondingly declined from 76.5% to 52.9%.
 - b. If the 120 responses to a questionnaire recently sent to a segment of our membership are a reliable sample of the memberships' reaction, the programs and seminars of the Society have caused the consultant to look to the Conference of Actuaries in Public Practice and the American Academy's Enrolled Actuaries organization for his "food." Attendance at the Society's seminars in 1982 was significantly less than in 1981. The percentage of membership attending Society meetings is decreasing significantly.
 - c. No consultants were involved with the 1981 task force which reviewed the education process.
 - d. The code of ethics of the Society may not as effectively be applied to the company actuary and the consulting actuary.
3. The Society has failed to articulate and define its responsibility to the public it serves because:
 - a. It has never defined clearly the requirements of the profession in the U.S. to fulfill the needs of the public, a basic prerequisite for a profession's existence, a necessary first step in defining the responsibility of the actuary and the role of the Society.
 - b. It has been more concerned with the organization than with professional obligations. (We appear to be at times more concerned with protecting our turf than with the profession's obligation to serve the public.)
 - c. An emotional attachment to the U.S.-Canadian relationship obscures the fact that the profession must be structured to respond to national needs. (The Society has never been able to reconcile the related issues involved because of the U.S.-Canadian tie.)
 - d. The Society has been unable to resolve the inherent conflict between degree and fellowship with the license to practice in the public domain.
 - e. The Society has not found an acceptable compromise with the lobbying, public interface dichotomy.
4. The Society has failed to modify the structure of its educational and research process to respond to the changing needs of its members.
 - a. The Batten position in the statistics, demography controversy has a ground swell of membership support.
 - b. According to a statement by its own officers and committee members, the Society has not managed well its research.

- c. The Society has failed to recognize the increased demands for business management and entrepreneurial skills. Its educational process does not focus on a need to prepare the actuary for management roles.
- d. The Society has insufficient concern for post-fellowship education and re-qualification. Even my optometrist speaks with pride about his required continuing education.
- e. The Society, by admission of its own officers, has failed to give adequate support to the insurance company valuation actuary.

In summary, the affirmative asserts that there are four areas of the Society's failure to equip its members to fill the role that their clients and employers should expect of them:

1. Failure to attract sufficient numbers for an adequate growth in membership.
2. Failure to respond to the needs of consulting actuaries, a rapidly growing segment of the profession.
3. Failure to articulate and define the actuarial profession's responsibility to the public and the role of the Society.
4. Failure to restructure realistically its educational process.

Successive management teams, the leadership of the Society, have done a remarkable job through principally volunteer labor in making a thrust into the gummy problem areas of the profession. They and you have the intelligence, the wisdom, the commitment, the desire and the charge to move rapidly to respond to these changes demanded by a volatile and explosive environment. Indeed, you can "turn swords into plowshares and spears into pruning hooks" and, thus, turn failure into success.

MR. ROBIN B. LECKIE: A slide, showing the North American Actuarial Organizations, was used by my worthy opponent. It is an insult to the Society to be shown on the same chart as the other organizations that were shown. It is like listing the Harvard Graduate School with a group of high school football teams. For example, the Institute and the Academy operate in the armpits of public issues. The Conference is a debating club and the Casualty Actuarial Society is another business. But the Society of Actuaries trains and validates professional actuaries and bestows the FSA, the professional mark of distinction in North America.

This profession is in evolution; there is a change in the public's perception of what an actuary is and can or should do; there is difficulty in developing an appropriate identification, but an FSA is recognized as professionally qualified. I will cover the first two points later but let me touch now on identification and qualification.

We are a small profession, approximately 10,000 of us. This is a profession built on a unique body of knowledge - actuarial science - which sets out how contingencies, the time value of money, and certain mathematical and statistical techniques can be applied to a variety of public needs such as insurance and security benefits. Is it reasonable to expect that we should have

more of an identification than we do? We are thought of as intelligent, trustworthy, sound and increasingly professional. We do not have to apologize for our choice of profession.

Greater identification is needed and will be forthcoming through the concerted efforts of each of us individually and of our organizations, particularly the Academy and the Institute. But to ask the Society to have the public identify us as we identify ourselves is unrealistic, unfair and unnecessary.

The FSA represents a high educational standard. But does the FSA mean more? And to what extent should we look to the Society to make it mean more? Most of us think of an FSA as opening the door to a secure professional future. In fact, the FSA is only a sign of professional qualification. It is our willingness to keep it up to date, and the way we apply our skills day-by-day, that will assure our continuing participation to the publics we serve. While the Society provides services and support, it is up to each of us to remain professionally qualified and individually recognized. Let us not ask the Society to carry us, let us ask the Society to walk with us as we travel through our professional career. We are the Society of Actuaries. We make up its activities and its output.

This morning we are here to debate a proposition. The wording of the proposition in the program represents a conspiracy by the affirmative requiring a no vote to support our beloved Society. It is a well known fact that thoughtful actuaries do not know the meaning of the word no - that their whole training teaches them to produce possible approaches to impossible situations. I, therefore, prefer to re-express the proposition in the affirmative by changing "failing to equip" to "succeeding in equipping."

The Society of Actuaries and the actuarial profession have responded remarkably to a rapidly changing environment. New services have been introduced to meet developing demands, including for example, seminars and sections. Committees have been formed and cancelled to meet demand, examples being the C-3 Task Force and the Planning Committee. Other organizations, such as the Institute, the Academy and AERF, have been formed with the blessing of the Society to meet changing public requirements. These organizations, too, respond to our needs, such as the support given to the Valuation Actuary in Canada when the latter's professional responsibility was recently increased significantly. The Society has made these changes progressively and thoughtfully. It has avoided abrupt and irresponsible moves, moves which might otherwise have accelerated the swing of the change pendulum, to the disservice of the profession and the public.

Specifically, I would like to make four assertions.

First, the program leading to FSA, and the degree itself, are both attractive and challenging and continue to result in a reasonable relationship between supply and demand. That does not mean our system is without problems. We must keep the curriculum up to date, preparing actuaries for the challenges of tomorrow. There must be the right balance of specialized and general knowledge. We must attract the right kind of young people into the profession. And we must encourage an environment where there is a demand for their services when they are qualified.

But it is unreasonable to ask the Society and/or the other actuarial organi-

zations to mandate a domain and role for actuaries defined solely by our profession. The reality is that the public will define demand and that will be a function of the value of our specialized actuarial knowledge, and the quality of the service we provide. If better value can be obtained elsewhere, the public will go for it. The profession's ability to be recognized depends on our willingness to address the issues. The Planning Committee of the Society is doing just that - determining an appropriate role for the actuary of the future and determining what this means for planning and organizing the activities of the Society. This debate is part of that process. I urge each of you to become involved in that process.

There are arguments for narrowing the scope of our education to ensure high level skills in actuarial science. Likewise there are arguments for broadening the scope of our profession to ensure appropriate inter-face with competing skills. Whichever direction may be taken by the profession must be based on serious study and must result in co-ordinated education, qualification, and post-fellowship continuing education.

Second, the Society is meeting the needs of all non-casualty actuaries in North America, including those practising in the pension field. The FSA is still the only all-purpose actuarial degree universally recognized throughout North America. Specialty tracks are now part of the education system. A pension section is being formed and there are a number of committees serving the pension actuary as well as other specialized forms of actuarial practise.

At the same time, the Society must do better. The Society is currently working for better occupational representation on the Board, and for improved services for all members.

Third, the Society has been successful in articulating, primarily through the example of its members, our profession's responsibility to the public. It can be safely said we have succeeded in maintaining a high level of confidence in the services provided by FSA's. The Society continues to be successful in preparing actuaries for both our countries despite the significant differences in practise which exist. And although the FSA may not be engrained in law establishing its exclusiveness, the FSA is as recognized and honoured as ever before. And the Society has been successful in staying out of the lobbying game.

Finally, the Society has been reasonably successful in modifying its educational system and its research activities to meet the needs of our profession in North America.

There is a common core of technical, statistical skills with which the public considers an actuary to be conversant. Our system recognizes this and endeavors to ensure that all are examined in those skills.

Most research of an actuarial nature will be conducted by the members of our profession rather than by the Society. The Society's role is to create an environment where the research needs are identified and matched with the skills to do it. This occurs through papers to the Society, through ARCH and research conferences, through ties with university programs, through our role with AERF and through the official published Reports of the Society.

There are those who would have the actuarial education program develop

business managers and entrepreneurs. This should not be a fundamental focus of our educational program. What we should insist on, and where further encouragement is needed, is to ensure that our system does not filter out those with management and entrepreneurial skills.

The Society's post-fellowship educational program through membership meetings, through seminars, through sections and through the activities of the Continuing Education Committees has expanded significantly in the past few years, all working to provide us with the means to keep our skills up to date to meet the requirements expected of actuaries by the public.

In summary, the Society has reasonably succeeded in attracting the right people and the right number for adequate growth of our profession. We have been successful in meeting the needs of all of our members. We respect and understand the role of a professional and our responsibility to the public. Our educational system prepares and nourishes practising actuaries. And the Society appropriately supports the continuing development of the body of knowledge we call actuarial science.

My worthy opponent may be content to plow along. What I desire is for each of us to continue to harvest the abundance sown and nurtured by our Society of Actuaries.

MR. BOWLES: I would like to review the record. I am quoting not only from my honorable opponent, Robin Leckie, but from Planning Committee reports and from statements made by the Society's elected officers. Robin Leckie, in his opening comments, used these words, "It is an insult for the Society to be shown on the same chart as the other organizations . . ." That's an example of the arrogance of our actuarial profession. He also said, "The FSA is still the only all-purpose actuarial degree universally recognized throughout North America." I dare say that those of you who are fellows of the Casualty Actuarial Society will take umbrage at that. This is the actuarial arrogance to which I referred that has really done the Society damage. We FSA's tend to look down our noses at those who are members of the other recognized actuarial organizations.

He also made a statement that our educational system must not filter out those with management and entrepreneurial skills. A memorandum prepared by the Director of Education of the Society of Actuaries, presumably a statement of policy of the Society, stated, "Our educational system has been selecting people who are very good with numbers." We all agree with that. Later on the paragraph states, "If we are to keep the best people, the ones who are very, very good with numbers, then we have to stick with what we are doing." And later, "And if we can continue to attract the best people, those who are magicians with numbers, the Society then should be able to keep on doing better." I find it difficult to see how in that position of the Society, we are attempting to retain those with management and entrepreneurial skills.

In one of the Planning Committee reports to the Board of Governors there is a statement made that life companies are hiring higher calibre and more broadly trained people from other disciplines to meet their financial management needs. Later the same reports say, in effect, "we must broaden our role in the traditional areas of cash value life insurance and defined benefit plans if we are to survive." It's like the buggywhipman saying, "We have to make better buggywhips in order to survive the onslaught of the automobile."

We've got to examine our educational process to determine whether or not the reason we are finding a decline in new fellows and a decline in the number taking part one is that we are not making our profession attractive to many whom we would like to recruit but who resist our recruiting efforts because they see that what we are looking for is simply "numbers magicians." I think that is a great mistake.

The president-elect, in one of his reports to the Board of Governors, said in effect, "There has been a failure to respond adequately to developing services for the pension actuary." (I suppose when Dwight says it now, then that settles it; that's a failure.) And, this from the past president who is my opponent this morning, "The organization should serve the public if it is a professional organization." Yet, it's a fact that the Society has not yet officially articulated what its responsibility to the public is.

Finally, a Planning Committee report states, "There is an increased demand for entrepreneurial skills, we are concerned with protecting existing members in the status-quo. This focuses on a process rather than upon results. There is insufficient concern for post-fellowship education." The defense of the offence rests.

MR. LECKIE: One of my worthy opponent's statements was that we FSA's are professionally arrogant in relating to the other organizations. I acknowledge the fact that I provided a little emphasis this morning in order to give my worthy opponent something to rebut. I believe that the Society may have seemed somewhat professionally arrogant at times through statements made by members. But I believe that the Society has been quite generous. Most of the other organizations have been formed by or with the cooperation of the Society to meet specific needs. They have been welcomed in the Council of Presidents and other interdisciplinary, inter-organizational sessions as equal partners even though their memberships are often very much smaller than that of the Society.

The Society works from the position that it cannot compromise the FSA. Occasionally the arrogance appears to come from the fact that we have not yet been willing to compromise the FSA. To do so, I think would be disastrous. We should be cooperative and open with the other organizations, but the Society must always work from strength.

My worthy opponent says that the Society has not defined its role. I merely suggest that he turn to page 8 of the Year Book.

My worthy opponent states that the Society provides the mechanism whereby the aspiring actuary and the graduate may equip himself to pursue his profession. I agree entirely. I believe that was a good statement in support of the negative.

The affirmative says that the failure to respond adequately to a changing and volatile environment is a failure. I believe I have already answered that.

I want to agree with the statement that my opponent makes which is that every profession must be flexible and responsive to the environment. Indeed a profession must anticipate the future if it is to survive. We are coming to the same conclusion.

The number of students passing Part 1 was down but I think this merely recognizes a certain maturity and stability entering into the input to our numbers. As you heard, the number entering now has increased dramatically this year, and I suspect that that will continue because of the efforts of the Society. The number of new fellows declined somewhat in 1981 and perhaps again in 1982, but the total number of fellows increased by 6 percent in 1982, which is a reasonable addition to our profession in a world in which growth is somewhat less than 6 percent.

Now it is certainly necessary that the profession and the Society properly determine the relationship between supply and demand. They are working very hard on that. Unfortunately, supply is about ten or twenty years behind so it is very difficult to get this in harmony. But the Society is working on that and I believe through planned development, is going to achieve that.

My worthy opponent mentioned that a percentage of members attending Society meetings is declining. That is more of a reflection of the economy rather than anything else.

As to a lack of consultants working on the 1981 Task Force on the education process, Barry Watson was chairman of the Education Policy Committee at the time and Bob McKay is currently Education Chairman and Chairman of the Task Force working on the text book on life contingencies. I think we have had adequate input from pension consultants.

The affirmative states that the Society has never clearly defined the requirements of the profession in the United States to fulfill the needs of the public. I don't think that is a responsibility solely of the Society. That is more of an Academy responsibility. The Canadian Institute has defined very well the requirements of the profession in Canada.

That leads to this statement by my worthy opponent of the emotional attachment to the U.S.-Canadian relationship obscuring the capacity of the Society to serve national needs. I concur with his position on this although it is a very difficult one for all of us. The time is coming where we will have to reevaluate the desirability of retaining the international character of the Society. That is not to say we should not have very close relationships with whatever organizations will exist in Canada and the United States; but possibly the international character of the Society is no longer a pre-eminent fact dominating the future needs of the Society.

The affirmative has stated that we fail to modify the structure of our education and research process, and, in particular, we have not properly addressed the need for statistics in our mathematical core. We do need a strong up-to-date mathematical core which I think exists today. We must combine that with a closer link between statistics and life contingencies. That will give future actuaries the strong basic actuarial tools with which they will be serving the public in the future. This profession is not training mathematicians; we do not attempt to do so. But we are looking for those with mathematical and logical minds; trying to draw them in and providing them with an environment in which they will be comfortable and be able to contribute. It would be disastrous for us to discourage the core of our profession.

Statements have been made about the ineffectiveness of the research of the Society. I made those statements myself when I was in charge of the general

research work of the Society. I believe self-criticism is healthy and that is part of this debate. I believe also the Society has done a great deal in turning that around.

Mention has been made of our inability to respond to the needs of the valuation actuary. In Canada, the Canadian Institute has done a magnificent job in responding to the needs of valuation actuaries in a very critical period of major change. In the United States the Cody Committee, formerly the Trowbridge Committee, and the Ohman C-3 Task Force are working hard and we're working on educational programs for the valuation actuary. But keep in mind this is a dynamically changing need, and it is always easy to criticize an organization during a period of change. I think the Society should be commended for a major research effort there.

MR. W. ROBERT WYMAN: This has been a most interesting debate. It is very doubtful if I can make a meaningful contribution on whether or not your Society is "failing to equip its members to fill the role" expected of them. Not only am I a non-actuary, the actuaries I encounter in my business life are often unique members of your profession, unique in the sense that they have graduated to more generalized areas of responsibility as corporate executives.

I suggest one of the very positive things about your Society is that you have embarked on this debate. It shows an awareness of your responsibilities, that these can change, that your Society is something more than a training and degree granting institution and that it is strong enough to withstand critical examination. Above all, perhaps, this debate shows an awareness of your clients' expectations. In today's world, the client, it often seems, is low man on the totem pole, and it is refreshing to find a professional association reacting to client expectations rather than demanding conformity.

However, there is some danger that those who support the proposition will be drawn along the path of generalization toward the point where your Society loses its prime reason for its existence, which is to produce persons skilled in actuarial science.

I am sure you've all heard the cute little definition of the specialist and the generalist. The generalist is the person who knows less and less about more and more until finally he knows nothing about everything. The specialist knows more and more about less and less until finally he knows everything about nothing. The trick, in this confused and complex world in which we live, is to find the balance.

Of one thing I am reasonably certain. As long as our world holds together in anything like its present form, the requirement for relatively narrow, specialized fields of expertise will continue and expand. After all, we view with some awe today the medical profession and its variety of specialties. But we often forget that about 300 years ago the surgeon was not a medical specialist but was able to combine his profession with that of a barber. In somewhat the same way, I see the need for increased degrees of specialization in every field as our knowledge increases and the tools with which we work, such as computers, are increasingly perfected.

We do need, however, to improve our ability to see our field, whatever it may be, in relation to society as a whole.

This is quite different from merely expanding your field, which is unkindly called empire building, and is a favourite preoccupation in government. That would see actuaries attempting to extend their activities in the financial field in competition with investment managers and related professions. As formerly one of these, I am not arguing for this approach.

Rather, I am pointing out that as we increase our field of specialization, we also increase the danger that we will produce results which are meaningful in a technical sense but unnecessarily damaging to society as a whole. For example, engineers design beautiful bridges with all the stresses and strains perfectly calculated, but which destroy unique sections of a city. They have to be told, usually by politicians, that there are other values in life beside the physical ones.

In much the same way, the actuary has a responsibility to develop plans and programs which take into account the myriad facets of human personality, and do not rely alone on numbers, which, however accurate, have no soul.

One of my associates summed this up well when he said of another person: he is an actuary and in that capacity I expect two characteristics above all else--one is logical analysis, the other is some flexibility.

I am not one of those who believe that you can be all things to all people. I believe the first function of a professional society is to provide its members with an in-depth, very full training in its chosen field. It is tempting to venture beyond the narrow confines of that specialized field, particularly in fields such as the actuarial sciences where, in one way or another, they impinge upon the whole financial field. However, as you extend the area of your responsibility, you also diminish the depth of your knowledge of a particular field. To my mind it is better to narrow your area of specialization. For example, I know that there are evaluation accountants who specialized in business evaluations, but I was impressed recently to meet one partner in a professional firm of chartered accountants who specialized beyond the whole field of evaluation in just the evaluation of the domestic assets involved in cases of marriage breakdown.

I am wary of burdening your Society with the responsibility of enlarging the role of the actuary, because it seems to me that, in large measure, this is the responsibility of the individuals themselves. To some degree, those who argue for a widening of the role are asking their Society to perform a function which they can perform for themselves. In the next few decades changes in the work environment, already substantial and rapid, will further accelerate. Most of us will need to be re-educated and updated several times during our lifetime in whatever profession we have chosen. That in itself will make demands both upon the individual and your Society, which is about all the average individual can handle.

For those extraordinary individuals who can go beyond this, well and good; let them do so. But let them do it on their own, and not recast your Society as some sort of monster financial training institution to meet the demands of a relatively small number of people.

Let me close by saying you are a highly respected group of people, in a field which is clearly a profession and a science. Don't screw up by chasing the brass ring of other activities.

MR. BARTLETT: Both of our debators avoided the turf-issue, the question of the relative role of the Society and of the other actuarial organizations. I don't think we can really avoid that as we think about what the role of the Society should be? Clearly, particularly since the development of the Canadian Institute and the American Academy of Actuaries and later the Joint Board for Enrolled Actuaries, the Society has lost a good deal of control over defining who is qualified to practice as an actuary in Canada and in the United States. Is this a trend that we should welcome or that we should resist on behalf of the Society.

MR. LECKIE: In Canada the Society has very little role in determining the requirements of actuaries. The Canadian Institute of Actuaries in conjunction with regulators and other authorities have specified actuarial requirements. To practice as an actuary, either as a pension actuary or at the federal level, for signing life insurance certificates, you must be an FCIA, which is a degree above FSA, if you will. You must be qualified in Canadian practice, having passed the additional Canadian examinations on top of the FIA or the FSA. Fellowship in the Canadian Institute of Actuaries is a requirement to call yourself an actuary in Canada, and I would accept that as being a function of the Canadian Institute of Actuaries. The Canadian Institute leans heavily, though, on the Society for the determination of what the requirements of the FSA are since the FSA is a prerequisite for an FCIA. In the United States the situation is so complex that I really have to call upon someone far more experienced than me, someone who was entering this profession when I was just entering school.

MR. BOWLES: We have failed to some considerable extent in the U.S. to obtain the recognition and to obtain the control you referred to because we have this proliferation of actuarial organizations. We failed in the Enrolled Actuary days because there wasn't one unified body which could go to the government and say that everybody recognizes that we represent the profession in the U.S. There was fragmentation, there was the sniping of one body at the other and we still have that today. We will never, ever be able to have the control and make the determination about who is qualified to practice until we are politically unified. We are not politically unified in the U.S. as you are in Canada.

When I was chairman of the Academy's Long Range Planning Committee we dealt with the question: What is the responsibility of the profession to the public? And, then: What is the role of the Academy? We got a note from somebody in Canada saying, "You fellows have got your problems; we've got them solved up here and we hope you can pull yourselves together so you can solve yours." Until we do, we will never solve them in the U.S.

Bob is in the investment business and I would like to ask him what he sees as the role of the actuaries he encounters in his practice on the other side of the fence in pension plans.

MR. WYMAN: There are two areas of conflict that I have perceived in the past and I think still exist. The first is the respect with which actuaries are held by their clients. That respect extends to the point that the client expects the actuary to be font of all knowledge extending far beyond the actuarial considerations of a plan into the area of the selection of an investment manager and the criteria for investing the funds of the plan. And I suggest in many instances that the actuary is not qualified to deal with these latter two questions. Many disqualify themselves, but many

welcome the opportunity to deal with these two questions.

The second is that, once a plan is established, my experience, on occasion, has been that the actuary is a critic of the investment manager. When interest rates have come down the value of the fixed income section of the portfolio goes up. On the equity side it's a reflection of the market. When things are good, therefore, it has nothing to do with the quality of the investment management. When things are bad, of course, it's the incompetence of the investment manager. I don't say that the actuary necessarily takes that position, but I don't say, either, that he argues against it in many cases.